

In today's
Jordan Times...

- King confident on Arabsat: Page 2
- Spring Festival opening: Page 3
- Handling the grain barons: Page 4
- Begin challenged from the right: Page 13
- Reagan's warning on economy: Page 14
- 'Ripper' suspect pleads guilty: Page 16

Jordan Times

An independent Arab political daily published by the Jordan Press Foundation

جوردان تايمز يومية سياسية مستقلة عن المؤسسة الصحفية الأردنية "الرأي"

Volume 6, Number 1645

AMMAN, THURSDAY-FRIDAY APRIL 30-MAY 1, 1981 — JUMADA AL THANI 26-27, 1401

Price: Jordan 100 fils; Syria 1 pound; Lebanon 1 pound; Saudi Arabia 1.50 riyals; UAE 1.50 dirhams; Great Britain 25 pence

Today's Weather

It will continue fair, with low clouds in the early morning. Winds will be northwesterly moderate, freshening at times. In Aqaba, it will be dusty, with northerly moderate winds and calm seas.

	Overnight	Low	High
Amman	12	20	
Aqaba	18	31	
Deserts	10	24	
Jordan Valley	16	30	

Wednesday's high temperatures: Amman 21, Aqaba 32. Sunset Thursday: 6:17 p.m. Sunrise Friday: 4:49 a.m. Sunset Friday: 6:18 p.m. Sunrise Saturday: 4:48 a.m.

Syria shifts SAM missiles to Lebanon

BEIRUT, April 29 (Agencies) — Syria moved sophisticated Soviet-made SAM anti-aircraft missiles into east Lebanon, eyewitnesses reported today, the day after Israeli jets shot down two Syrian helicopters in the same area.

The Syrian move came as Israeli jets blasted Palestinian positions in south Lebanon. Elsewhere, an undeclared ceasefire prevailed along Syrian-rightist Lebanese battlefronts.

The deployment of the SAM-6 missiles was seen as a serious, though defensive, development that might bring closer a feared Syrian-Israeli confrontation.

Mr. Robert Fisk, a correspondent of the London Times, said he saw four vehicles, each equipped with three SAM-6 missiles, deployed in a field about five kilometres south of the Rayak air base in the middle of east Lebanon's Bekaa Valley, where the two Syrian helicopters were down.

Two Syrian helicopters stood in

another field, but travellers did not see any helicopters flying. The declared aim of Israel's intervention yesterday was to stop Syrian helicopter attacks which were threatening to drive the right-wing Falangist Party forces from key mountain peaks near the besieged city of Zahle.

The transfer of such missiles into eastern Lebanon would present an "worrisome situation," an Israeli military source said today. Earlier today Israeli Prime Minister Menachem Begin met with U.S. Ambassador Samuel Lewis in occupied Jerusalem to discuss the Lebanese conflict.

Mr. Lewis did not criticise the direct Israeli intervention on behalf of Lebanese rightists, Israel Radio reported. But U.S. officials said the ambassador expressed the "serious concern Washington has about recent military actions in Lebanon."

The state radio reported that Mr. Begin and his top ministers had resolved that "Israel will not draw back from a confrontation with Syria" in Lebanon.

Meanwhile, Syrian and Lebanese leaders today met leftist politicians in a second day of peace talks.

In Beirut, President Elias Sarkis and visiting Syrian Foreign Minister Abdul Halim Khaddam received Lebanese leftist leaders to hear their views on how to achieve peace. Lebanese Prime Minister Shafiq Al Wazzan and Foreign Minister Fuad Butros also attended the talks.

Today's callers at the presidential palace included Mr. Nabih Biri, leader of the Shiite Muslim paramilitary organisation Amal, and Mr. Walid Junblatt, head of the National Movement.

Similar meetings were held yesterday with rightist leaders and a team of four former prime ministers, all of whom aired some optimism about prospects of success.



His Majesty King Hussein addresses the Arab conference on mineral resources at the Amman Holiday Inn on Wednesday.

Denies 'green light' for Israeli raids U.S. seeks Moscow's help to cool off Lebanon crisis

WASHINGTON, April 29 (A.P.) — The Reagan administration appealed to the Soviet Union today to help bring peace to Lebanon, where the situation was described by Secretary of State Alexander Haig as "very worrisome."

He said the United States is engaged in "extensive diplomatic activity" aimed at ending the fighting that has grown worse in recent days.

He said the United States is seeking Soviet cooperation because the Kremlin has "special influence in one of the capitals of the region," an obvious reference to Syria, whose troops are involved in the fighting.

Meanwhile, the State Department said it has "not given a green light" to Israel to take any military actions in Lebanon, where Israeli planes have gone to the support of embattled right-wing forces.

Spokesman Dean Fischer also disclosed that Soviet Ambassador Anatoly Dobrynin was summoned to the State Department on Monday and that the fighting in Lebanon was discussed. Mr. Fischer

offered no details.

Israeli aircraft shot down two Syrian helicopters yesterday and attacked Palestinian positions in central Lebanon today, Mr. Fischer said these attacks are "among recent dangerous events" in Lebanon.

While Mr. Fischer declined to condemn the Israeli air attacks specifically, he seemed eager to make clear they are not sanctioned by the United States.

"We want to make it fully clear that the United States has not given a green light to Israel to undertake any military actions in Lebanon," he said.

Mr. Fischer declined to comment on Israeli Prime Minister Menachem Begin's statements that the United States had joined Israel in demanding that Syrian forces withdraw from newly attained positions in the Lebanese mountains.

Schmidt begins UAE talks

ABU DHABI, April 29 (R) — West German Chancellor Helmut Schmidt arrived here today from Saudi Arabia for a one-day visit to discuss closer political and economic cooperation with the United Arab Emirates (UAE).

The chancellor was welcomed with military honours by Sheikh Rashid Ibn Said Al Maktoum, vice-president and prime minister of the UAE.

The UAE supplies more than six per cent of West Germany's crude oil needs and is an important investment area for German private business.

Chancellor Schmidt flew in from Riyadh where he agreed to expand economic ties with the Saudis but said they could not buy West German weapons at the moment.

Mr. Schmidt informed the Saudi government yesterday that West Germany could not provide the weapons for the time being because of strong parliamentary opposition.

But at a joint press conference with Mr. Schmidt this morning, Saudi Crown Prince Fahd Ibn Abdul Aziz said that Saudi Arabia would be happy to buy the arms in the future if the situation in West Germany changed.

West Germany had been told informally before Mr. Schmidt's two days of talks in Riyadh that Saudi Arabia wanted arms including Leopard II heavy battle tanks.

To fulfil Saudi desires, Bonn would have to modify its 10-year-old ban on arms sales outside the North Atlantic Treaty Organisation (NATO).

Mr. Schmidt said he would inform the West German Bundestag (parliament) about his Riyadh talks as soon as possible.

In Bonn today, the leader of West Berlin's Jewish community was quoted as saying he feared West Germany might still sell arms to Saudi Arabia despite the chancellor's assertion to the contrary. (Mr. Heinz Galinski told the newspaper Nene Osnabruecker Zeitung that Bonn should not even consider supplying weapons to a country at war with the Zionist state).

Israel welcomed Chancellor Schmidt's decision not to sell arms to Saudi Arabia.

A foreign ministry spokesman in occupied Jerusalem told reporters today: "Israel is firmly opposed to the sale of aggressive and sophisticated weapons to its enemies. That is especially true of West Germany because of the special relations between Germany and the Jewish state. Thus we regard Chancellor Schmidt's decision as a positive step."

On the Arab-Israeli dispute, Mr. Schmidt today repeated the

European Economic Community position on the issue as outlined in the Venice declaration last year, stressing its four main points: affirmation of the Palestinians' right to self-determination, the necessity of Palestine Liberation Organisation participation in peace talks, withdrawal by Israel from the territories occupied in the 1967 war and the recognition of the right to all countries to exist within secure borders.

Mr. Schmidt said it was his personal conviction that the "Palestinians have the right to organise themselves into their own state." He said this position was "positively received" by the Saudis.

Both sides agreed that the United States was essential in any peaceful settlement.

Crown Prince Fahd said the Palestinian issue was the main

Hussein's firm warning on Med-Dead Canal plan

AMMAN, April 29 (Petra) — across the occupied Gaza Strip Jordan today warned of the linking the Mediterranean and "grave consequences inherent in the Dead Sea." Israel's plans to construct a canal

Addressing the opening of the fourth Arab conference on mineral resources here, His Majesty King Hussein said that "Israel's plans constitute a new act of aggression that threatens security and peace in the Arab region and would harm Arab and Jordanian economies and development projects."

King Hussein called for the assistance of Arab and world powers to prevent Israel "from pushing ahead with its plans in blatant defiance of the Geneva Convention and international laws and principles."

The Israeli government last month approved the canal, which will run by pipeline under the Gaza Strip and the Nagab Desert. The sea water would then be channelled under the Judean mountains and plummet to the Dead Sea, "powering a 600-megawatt hydroelectric power station," "The Dead Sea," the King said, "partly falls under Jordanian sovereignty and the Israeli plan to link the waters of both seas would seriously harm Jordan's economy. Therefore, Jordan will seek to prevent its implementation before the Israelis present the world with a de facto situation as usual."

King Hussein said, "The new Israeli plan manifests Israel's insistence on defying international

law, its rejection of the values of right and justice, resembling in its seriousness Israel's diversion of the Jordan River waters to the Naqab region in southern Palestine, which was a clear indication of Israel's intention to perpetuate its usurpation of Arab territory with total disregard to the Jordan River's historical background and sanctity," King Hussein said.

King Hussein said that the Arab World is rich with mineral resources, "making it the focus of ambition of imperialist nations which succeeded in dominating the region in view of the weakness and backwardness of its countries and the disunity of its people."

"No doubt, he said, "the new Zionist designs will be doomed to failure and meet the same fate of the imperialist invasions of the past."

King Hussein called on the conference to find means of exploiting the mineral resources scattered all over the Arab World and to establish powerful Arab industries which will strengthen the Arab economy.

"In Jordan we have multiplied our production of phosphates several times over the past few years and recent prospecting has revealed the presence of astronomical reserves of the mineral which would enable us to again double our production in the coming years," King Hussein said.

"In this respect, Jordan is cooperating with Morocco and other Arab phosphate-producing countries and is benefiting from loans extended to us from Arab development funds and financial institutions," King Hussein explained.

He advised his audience that the mining projects in any Arab country should become an integral part of a comprehensive plan to boost Arab economic integration.

Also, he said, the exploitation of mineral resources requires the adoption of scientific and technological methods on a very wide scale. Energy is of paramount importance for Arab industry, the King said, and therefore it should be ensured at reasonable prices. Arab states should seriously con-

sider alternative sources of energy like shale, natural gas, coal, and solar and nuclear power.

The Arab individual is the major factor in development, the King emphasised, and in carrying out industrial and mining projects, this individual should be able to benefit from the fruits of progress and get public services and a decent living.

At the outset of the session, the vice president of the Natural Resources Authority (NRA) Mr. Ahmad Dakhaq, thanked King Hussein for patronising the conference and underlining the importance of its goal: a pan-Arab strategy for developing the Arab World's mineral resources.

He called on Arab states to establish a specialised organisation to conduct technical studies and work out programmes for mining projects.

The opening session was attended by Prime Minister Mudar Badran, the chief of the Hashemite royal court, cabinet members, senior government officials and Arab ambassador in Amman.

The conference later elected Mr. Dakhaq as president and the Sudanese minister of energy and minerals, Sharif Tuhami, as rapporteur (recorder).

Speaking at the first session, Moroccan Minister of Minerals and Energy Musa Al Sa'di called for coordination among Arab development projects and efforts to achieve Arab economic integration. He also called for cooperation in mining industries to benefit the whole Arab Nation.

The conference also decided that the fifth Arab conference on mineral resources should be held in Khartoum in January 1984.

At this evening's session, the economic affairs adviser of the Iraqi Revolutionary Command Council, Dr. Abdul Al Saqban, reviewed a working paper on the strategy of developing mineral resources in the form of pan-Arab economic integration. He said the most important factor in the success of this strategy is the availability of accurate geological information in order to define the mineral resources which can be recovered and used economically within a fixed timetable.

18th anniversary of the Special Forces



His Majesty King Hussein on Wednesday patronised the celebration of the 18th anniversary of the formation of Jordan's Special Forces. Before distributing gifts to the children of Special Forces martyrs and awards to members of the unit, the King saw combat survival exercises—in one of which a trooper ate a raw snake. (Staff photos by Yusef Al Allan)



Qadhafi in Belgrade after Moscow visit

BELGRADE, April 29 (A.P.) — Libyan leader Col. Muammar Qadhafi arrived here today for a two-day visit and talks with Yugoslav leaders on bilateral relations and international topics.

Mr. Cvjetin Mijatovic, president of Yugoslavia's collective presidency, led a group of top Yugoslav leaders who came to the airport for the lavish welcoming

ceremonies. Official Soviet accounts said Col. Qadhafi's talks with Soviet President Leonid Brezhnev included discussions of new "concrete" spheres of joint activity. But Libyan officials said Col. Qadhafi signed no written agreement with the Soviet Union.

The Libyan leader arrived in Moscow on Monday. Mr. Brezhnev saw him off at Moscow airport this morning, the official Soviet news agency TASS reported.

Libyan officials said Libyan Armed Forces Chief of Staff Abu Bakr Yunis Jaber, who accompanied Col. Qadhafi met with Soviet Defence Minister Dmitri Ustinov. Col. Qadhafi prayed yesterday at a mosque and a Muslim cemetery in addition to holding his second day of meetings with Mr. Brezhnev, they said.

Belgrade sources, meanwhile, noted the great interest of Yugoslavia and Libya in promoting and expanding all forms of cooperation between them.

Libya is Yugoslavia's second most important foreign trade partner among the developing countries after Iraq. The two countries exchanged \$420 million worth of goods last year—an increase of 79 per cent from 1979.

There are 4,500 Yugoslav workers in Libya.

Don't cut services, King tells Rydbeck

AMMAN, April 29 (J.T.) — His Majesty King Hussein today reiterated Jordan's opposition to "any reduction or termination of services offered by the United Nations Relief and Work Agency for Palestine Refugees (UNRWA)." Petra, the Jordan News Agency reported.

The agency said the King also told UNRWA Commissioner General Olof Rydbeck that Jordan "is keen to see UNRWA continue its educational services alongside its social and humanitarian services to Palestinian refugees in Jordan and other Arab countries."

"His Majesty also stressed the responsibility of the international community, represented by the United Nations, in guaranteeing the continuation of the agency's services and the performing of its duties towards the Palestinian refugees," Petra said.

The audience with King Hussein was attended by Minister of Occupied Territories Affairs Hassan Ibrahim.

Later, Prime Minister Mudar Badran received Mr. Rydbeck at his office. Mr. Rydbeck briefed the prime minister on the UNRWA position and the services it renders, particularly in the educational sector.

Mr. Rydbeck, who arrived here via the border post at Ramtha earlier today, also met with top-ranking officials of the United States, Iraqi, British and Japanese embassies in Amman. He was understood to have thanked Iraq for its "generous contribution" to the tune of \$5 million to the agency, according to the informed sources.

Mr. Rydbeck is to call tomorrow on the ambassadors here of Libya and Kuwait and the Consul general of the Netherlands. He will also have a series of meetings with UNRWA's field office staff in Jordan.

In the afternoon, Mr. Rydbeck is scheduled to have with refugee sources described as a "beated" discussion with refugee representatives.

Mr. Rydbeck travels to the occupied West Bank on Friday morning.



Under royal patronage

The Ministry of Tourism

and

the Department of Culture and Arts.

in cooperation with

The Jordan Artists' Association

presents

The Spring National Festival of Art

opening on Thursday, April 30, 1981 to 10:30

a.m. at the Coral Beach Hotel, Holiday Inn

Hotel, Al Cazar Hotel, and Aqaba Hotel in

AQABA CITY.

The festival lasts until May 6, 1981

هولاء منذ الاصل



His Majesty King Hussein receives the participants in the fourth general meeting of the Arab Satellite Communications Organisation on Wednesday.

King confident on Arabsat

AMMAN, April 29 (Petra) — His Majesty King Hussein received at the Hashemite Royal Court this evening the Arab communications ministers and

chairmen of the delegations participating in the fourth general meeting of the Arab Satellite Communications Organisation (Arabsat).

The King emphasised the significance of completing the Arab communications satellite project in order to keep pace with the spirit of the age and scientific developments, and because of its usefulness in transmitting cultural, educational and scientific television programmes.

King Hussein expressed confidence that the conference would achieve positive results and lead to the desired scientific development in telecommunications.

Saudi Telegraph, Post and Telephone Minister Alawi Kayyal expressed the thanks of the chairmen of the delegations and their pride in King Hussein, and praised the progress achieved in Jordan in all fields.

Meanwhile, Jordanian Communications Minister Muhammad 'Addoub Al Zahen, in his capacity as chairman of the Arabsat meeting, praised the high and positive spirit characterising the discussions among the heads of delegations.

In a press statement today, Dr. Zaben said that the fraternal atmosphere prevailing at the meeting would contribute to a great extent to the success of its work.

Dr. Zaben added that the citizens of all Arab countries are anxious to see the conference attain significant and positive results on the path of joint Arab action, particularly as regards the Arab communications satellite's ability to render secure and guaranteed telephone, telegraph and telex services to Arab countries. The satellite will also disseminate culture and science among all Arab states, he said.

The conference will resume its meetings at 10 a.m. tomorrow to continue discussion of the items on its agenda, which include among other things the doubling of the organisation's capital and the awarding of the tender for construction of the satellite.

Meanwhile, Dr. Zaben and Iraqi Communications Minister Sa'doun Ghaidan met yesterday to discuss the Amman-Baghdad microwave project. The two sides expressed their firm desire expeditiously to complete this project, which will provide some 950 direct telephone, telegraph and telex circuits between the two countries to facilitate communications between them.

Iraqi trade fair set for June

BAGHDAD, April 29 (Petra) — The Iraqi News Agency has reported that the Iraqi trade ministry will organise a special exhibition of Iraqi goods and commodities in Jordan early in June.

Textiles, foodstuffs, mechanical and electrical products will be exhibited with the aim of acquainting the Jordanian public with the progress achieved in Iraq.

The exhibition is part of efforts to strengthen economic cooperation and coordination between Iraq and Jordan, and to promote the exchange of expertise among them.

EEC sugar gift to UNRWA due

AMMAN, April 29 (J.T.) — As part of the European Economic Community's contributions to (UNRWA), a shipment of 1,000 tonnes of sugar is expected to arrive at Aqaba Port Thursday for use in the agency's relief programme benefitting eligible registered Palestinian refugees, an UNRWA communique said here today.

Gauge change on the track for Hijaz RR

AMMAN, April 29 (J.T.) — The Hijaz Railway Corporation has prepared an integrated plan for the development of the railroad linking Syria, Jordan and Saudi Arabia.

A spokesman for the corporation was quoted by Al Rai newspaper as saying that the existing 115-centimetre-wide rail line will be replaced by a wider set of tracks, of the 150-centimetre standard gauge, so as to accommodate modern engines and coaches. Electric trains to run on the railway, he said, would travel at 300 kilometres an hour.

Jordanian standard-gauge coaches would be able to reach Greece, Italy and other European countries through Turkey after the railway has been reconstructed, the spokesman added.

The new projected railroad linking the three Arab countries and extending to Turkey will be 2,565 kilometres long.

Jordan-Iraq transport committee meets today

AMMAN, April 29 (J.T.) — The Jordanian-Iraqi overland transport committee is due to open meetings in Amman on Thursday.

The committee will review the achievements and activities of the countries' joint overland transport company and its programmes for 1981, according to the under-secretary of the Ministry of Transport, Mr. Hashem Al Taher.

The Iraqi side at the talks will be led by Transport Minister Sa'doun Ghaidan and the Jordanian team will be led by his Jordanian counterpart Mr. Ali Suhaimat.

The joint company was established in 1981 with an initial capital of JD 7.5 million. During his stay here, Mr. Ghaidan will visit Aqaba to look into the port's facilities.



Crown Prince Hassan delivers his lecture on Arab strength at the Royal Police Academy on Wednesday.

Crown Prince lectures at Police Academy

AMMAN, April 29 (Petra) — His Royal Highness Crown Prince Hassan today declared that "strength should not be built on one, but on several elements in the process of building, and steadfastness is not military steadfastness only, but should be supported by a pan-Arab economic structure and a comprehensive development throughout the Arab homeland."

In a lecture today at the Royal Police Academy, Crown Prince Hassan said that Jordan has made significant strides in the path of self-reliance. However, the 1967 war "has prevented us from reaching our full goals," he said.

"Had it not been for this war, we would have been able to do away with foreign loans,"

The Crown Prince said that the process of building is significant, "because it will enable us to prove to ourselves and to the world that we are actually capable of standing on our own feet, and holding out not only in the military field but in the economic and social fields as well."

Price Hassan said Jordan has given special priority to the building of its economic and defence potentials, and to confronting the Israeli practices in the occupied Arab areas in addition to supporting the kinsmen there.

Sports City to close for 2 days

AMMAN, April 29 (Petra) — The facilities of Al Hussein Youth City (Sports City) will be closed as of Friday morning until Sunday morning on the occasion of the celebrations marking Labour Day, Sport City Director Isam Aridah said today.

NATIONAL NEWS BRIEFS

AMMAN, April 29 (Petra) — A meeting of the Arab and international bodies financing the Aqaba thermal power station and the Amman-Aqaba 400 kilovolt line began here today. The World Bank, the Kuwaiti Fund for Arab Economic Development, the Arab Fund for Economic and Social Development, the Iraqi Fund for External Development, the West German Construction Bank and the French government are participating in the project, which will cost JD 1100 million.

AMMAN, April 29 (J.T.) — The director of the Department of Antiquities, Dr. Adnan Hadidi, left Amman for Holland yesterday. He will hold talks with Dutch officials on the planned sound and light spectacular in Jerash which, is to be carried out by the Dutch electronics company Philips.

AMMAN, April 29 (J.T.) — The Health Ministry has appointed physicians of various specialisations to West Bank hospitals, it reports in Al Rai newspaper said today. The step was taken in view of the shortage of doctors in these hospitals as a result of Israel's measures against Arab doctors and the deteriorating health conditions in the occupied territories.

AMMAN, April 29 (Petra) — The University of Jordan will take part in a conference of university graduates which will open in West Germany on Friday. Taking part in the four-day conference will be graduates of universities around the world, who will discuss problems facing them, and their relationship with their universities and institutions employing them. Dr. Nassim Barham from the geography department of the Faculty of Arts will represent the University of Jordan at the conference.

IRBID, April 29 (Petra) — Minister of Municipal and Rural Affairs, and the Environment Hassan Al Momani has decided today to form a municipal council at Al Ashrafia in Yara Directorate. The council's members are Mr. Jusem Khairul-Sha (head), Mr. Mustafa Duyabat, Mr. Muhammad Al Milleh, Mr. Mohammad Salman, Mr. Hussein Khader, Mr. Mustafa Hanmoudch and Mr. Salman Dhawahbeh (members), a ministry spokesman said.

DELUXE BUILDING FOR RENT

Two-storey building is available for rent in Shmeisani, next to the Flying Carpet. All modern conveniences and garden. Can be let as a whole or in parts.

Tel. 83333, Zarqa_Burhan Abdul Hadi

FOR RENT

A spacious flat consisting of three bedrooms, three bathrooms, three big salons, two verandas, a large kitchen; with central heating. Location: Jabal Amman, Second Circle (down the road leading from the Lebanese embassy, second street to the right).

Call: Tel. 24556

HOUSEHOLD EFFECTS FOR SALE

Custom built "Early Canadian" solid pine furniture. Living room, dining room, bedroom sets, desk. Also Kawasaki 250cc (1980) motorcycle.

Tel: 43654

Tennis Talk



The right racquet for you

By Maureen Stalla

GOING OUT to buy tennis equipment may not have been very difficult 10 years ago. But today, the market is flooded with choices and prices, and the novice player is overwhelmed in the sport shops. Relax — it still is really just a matter of a racquet, some balls and tennis shoes. Here are some guidelines:

Racquets used to be primarily made of wood. A good wood racquet has up to eleven laminations of ash and fiber. The more laminations, the better the quality and the higher the price. Wood racquets are still the lowest priced, and are still favoured by many of the world's top players.

Now there are many racquets on the market made of other materials — fiberglass, graphite, steel, aluminium and combinations of these. Shopkeepers will talk about flexibility and stiffness, weight distribution, head-heaviness versus racquets light in the head, and general weights and grip sizes.

It is best to try out a racquet before buying it. Whether one buys a wood or metal racquet is mostly a matter of preference, and has little to do with the ability of the player.

Strangely there is not yet a standard racquet surface in the rules, and the new over-sized racquets are becoming popular. By having an enlarged "sweet spot", these racquets have brought satisfying results to many players. If you ever have a chance to play with a "Prince Graphite", don't be put off by its snow-shoe appearance — it's lovely!

As a general guide, women and girls usually prefer a 41, 14 1/2-inch grip light). Men and some women prefer a 5M (4 3/8-inch medium weighted). As far as balance goes, most players like an evenly balanced racquet, though baseline players often feel a head heavy racquet gives them more power while other players opt for a racquet light in the head because it helps with touch on the volley. If possible, buy the racquet you like right off the shelf. Every single racquet is a little bit different, even if it is the same exact type and size.

There are some considerations to keep in mind about strings. Nylon is a durable, inexpensive and reliable material. Gut is more often-favoured by top players because it has more "feel". However, it is adversely affected by moisture, and is currently pricing itself out of the market. Vantage, a synthetic, is said to play like gut and cost like nylon — overstated perhaps, but worth a try.

Generally, one should have his racquet strung on the loose side, say 24 kilos tension for good control. Power hitters often ask for 27-28 kilos tension, but this is hazardous to the arm and the tendons in the elbow, and also causes the player to lose much-needed accuracy.

Irbid in a squeeze for drinking water

IRBID, April 29 (J.T.) — Water pumped to Irbid from the Duleil region has become unpotable due to increasing salinity, according to the city's mayor, Dr. Abdul Razzaq Tubeishat.

He said agreement has been reached with the Water Supply Corporation to begin gradual reduction in the amount of water pumped from Duleil to Irbid, from the present 18,000 cubic metres a day to only 4,000 cubic metres a day by the end of this year.

Intensive efforts are now required to find new water sources in addition to the springs of Rajoub and Y'hreibeih, which at present supply Irbid with 1,500 cubic metres a day, Dr. Tubeishat said.

Because of the growing population of the city and in view of the coming summer season, the city will be in dire need of additional supplies of water, he added.

WHAT'S GOING ON

Exhibitions

The British Council presents "The Age of Shakespeare", an exhibition which employs pictures, photographs, slides, music, models and costumes to explore the way of life of the late 16th-century Englishman. The council will present a special programme of readings and scenes from Shakespeare, lectures, solo performances and music related to the exhibition during the second week of May. The exhibition is open from 9 a.m. - 1 p.m., at the council in Jabal Amman.

Yarmouk University presents an exhibition of architectural books. On display are books written by professors on the staff of the university's Faculty of Engineering, at the university's exhibition hall.

The Harvard Semitic Museum, in cooperation with the Ministries of culture and youth and tourism, presents an exhibition of Middle East "Photographs from the Last Century" which was held in Aqaba last week, now on display at the Jordan National Gallery of Fine Arts in Amman. Opening ceremony at 4:30 p.m. on Thursday.

The Natural Resources Authority presents a geological exhibition on mineral resources in Jordan at the Holiday Inn hotel in Amman. On display are samples of minerals and ores, and industrial products made from these raw materials.

The exhibition of work of the Italian artist Daniele Scaglioni, which was held at the Alia Art Gallery in Amman last week, is now on display at Yarmouk University in Irbid.

Spring Festival

Under the patronage of His Majesty King Hussein and Her Majesty Queen Noor, the Spring Festival of art will open on Thursday. Several art exhibitions will take place at the major hotels in Aqaba. Artists from Jordan as well as from Arab countries are arriving in Aqaba to celebrate or take part in the occasion.

FOR RENT

Apartments for rent in Shmeisani, near the Commodore Hotel. 3 bedrooms, living room, salon dining room, kitchen, 2 bathrooms, 2 verandas, central heating.

For information call: Tel. 65017

CAR FOR SALE

1979 Peugeot 504 GL (2-litre) Estate, in superb condition. Automatic choke, tinted windows and only 30,000 km on clock. JD 2,000, duty unpaid.

Tel. 62790, between 8 a.m. and 2 p.m.

AMMAN STOCK EXCHANGE REPORT

Name of Company	Par Value	Number Traded	High	Low	Closing Price
Islamic Bank 50%	JD 1,000	6,223	1,670	1,620	1,620
Jordan-Kuwait Bank	JD 1,000	10,283	2,290	2,290	2,290
Jordan Gulf Bank	JD 1,000	3,400	1,510	1,500	1,510
Housing Bank	JD 1,000	3,000	2,150	2,110	2,110
Arab Investment Bank	JD 1,000	4,655	1,680	1,670	1,680
Industrial Development Bank	JD 1,000	1,100	1,420	1,420	1,420
Bank of Jordan	JD 5,000	320	17,000	(6,890)	16,890
Calico Amman Bank	JD 5,000	42	15,100	15,100	15,100
Arab Bank Co. Ltd.	JD 10,000	65	133,000	133,000	133,000
Arab Financial Corporation (Jordan) 10%	JD 10,000	180	13,550	13,520	13,550
Arab Union Insurance Co.	JD 1,000	1,650	1,560	1,550	1,550
Al Ezdihar Insurance Co.	JD 1,000	7,468	2,500	2,450	2,500
Arabian Sea Insurance Co.	JD 5,000	165	11,520	11,500	11,500
Jordan Electricity Co.	JD 1,000	4,553	2,050	2,000	2,030
Arab International Hotels Co.	JD 1,000	9,590	1,070	1,060	1,060
Arabian Investment and International Trading Co.	JD 1,000	34,791	1,310	1,260	1,290
International Contracting and Investments Co.	JD 1,000	2,400	0,890	0,870	0,870
Livestock and Poultry Co.	JD 1,000	3,200	0,660	0,650	0,660
Dar Al Sha'b for Press, Publications and Distribution	JD 1,000	16,500	0,970	0,960	0,960
Garage Owners Federation Office Co.	JD 1,000	479	10,000	10,000	10,000
Arab Development and Investments Co.	JD 2,000	50	1,480	1,480	1,480
Jordan Dairy Co.	JD 1,000	15,649	1,330	1,300	1,330
Arab Aluminium Industries Co.	JD 1,000	15,155	1,550	1,540	1,550
Arab Paper Processing and Trading Co.	JD 1,000	100	0,840	0,840	0,840
Industrial, Commercial and Agricultural Co.	JD 1,000	8,193	3,900	3,890	3,900
Arab Chemical Detergents Industries Co.	JD 1,000	2,600	4,800	4,800	4,800
National Steel Industries	JD 1,000	6,800	2,220	2,100	2,200
Jordan Ceramics Industries Co.	JD 1,000	2,204	1,160	1,160	1,160
Jordan Glass Factories Co.	JD 1,000	150	0,820	0,820	0,820
Jordan Phosphate Mines Co.	JD 1,000	1,613	3,700	3,700	3,700
Jordan Lime and Silicate Brick Industries Co.	JD 5,000	6,932	6,400	6,350	6,400
Jordan Petroleum Refinery Co.	JD 5,000	1,520	8,420	8,400	8,410
Jordan Cement Factories Co.	JD 10,000	294	18,650	18,600	18,650

Total volume of shares traded on Wednesday, April 29, 1981: JD 347,406
Total number of shares traded: 163,136

EF... BOUTIQUE
SUMMER FASHIONS ARRIVED WITH SHOES JORDACHE JEANS AVAILABLE
Sports City
Tel: 66702

CROWN HOTEL

Sports and Tourist Complex

The complex's management announces that it has decided to accept a limited number of families to membership for 1981. We invite applicants to call in person at the administration office, to fill forms and pay membership fees for one year, as of April 1, 1981.

Members of the complex are kindly requested to renew their memberships before May 10, 1981.

Crown Hotel
Jordan Radio and Television Road
Tel. 71256 or 78468
P.O. Box 1318, Amman

Nationalist Chinese trade group visiting

Jordan and holding a display show on May 2 at Sheraton Palace

The group arrives Amman for a four-day visit and will hold a display show of Taiwan-made products at the Sheraton Palace hotel on Saturday, May 2, between 3 and 8 p.m. Samples on display include:

TEXTILES & GARMENTS; ELECTRICS & ELECTRONICS; JEWELLERY; TRANSPORTATION PRODUCTS; FOOTWEAR; BAGS; HARDWARE & HAND TOOLS; MEDICAL EQUIPMENT; CANNED FOOD; AND VARIOUS OTHER KINDS OF USEFUL GOODS.

The group represents the biggest and most important business concerns in Taiwan. There will be great opportunities for business dealings and commercial contracts.

Handwritten signature or note at the bottom of the page.

هللا من اجل

Spring Festival opens today

By Meg Abu Hamdan
Special to the Jordan Times

AMMAN, April 29 — Jordan is a small country — its population of 3 million is tiny in world terms, and its smallness means a closely knit society. But even the Jordanian population were big enough to allow for anonymity it is doubtful whether one could ever attain the obscurity of being just a number, because the nature of its peoples. Their feelings are acute and near the surface; their affections deep and wide, and their social mores, traditions and manners grow larger and more complex in an age when they are being forgotten.



Attractive genre scene by Abdul Raouf Shamoun

The art world is a microcosm of society, with emotions that are amplified by sensitive temperaments; and it is in this atmosphere that critics and selectors of exhibitions work. For the critic the task is made easier by simple omission; for selection committees who take only the best of what is submitted — work that requires due impartiality — the task is more difficult as their impartiality has to allow for encouragement, friendship and a desire within themselves not to upset disappointment.

dominating the picture while the vegetables add foci of bold colour — and a landscape. The latter's simplified composition takes much from the work of Nicolas de Stael, and can be seen in both abstract terms and as a representation. Hamdan is moving, quite rightly, away from the emphasis of dark lines around his forms, letting them now play against each other and so achieving a more placid, continuous surface.

There are two other artists whose single pieces of work at the festival can be taken as both abstract and representational. Princess Wijdan Ali is an artist of some calibre, and shows in her glowing desert landscape how she has learnt a striking simplicity of composition, a hazy bleaching of colours from the deserts of Jordan, the country she loves. In his tentative departure from the romantic impressionism of his lone desert riders to abstraction, Fuad Mimi has been successful. His rigid blocky abstract hints at, and keeps, the character of his former landscapes, while at the same time being more originally attractive.

By returning to the figurative we return to those artists who are more strongly committed to the figure, artists like Ibrahim Abu Rub Al Najjar. Abu Rub is a prolific painter of great enthusiasm and dedication, with an infectious self-confidence, and who despite a full-time job has produced two new works for the festival. Both are in his own individual, most often-used style — the writhing, intertwining figures, which this time are suspended in a white void stabilised by reddish brown which deepens as it spreads out to edges of the canvas. The inspiration is as always, "the cause".

Bridget Riley, artists who showed that Kinetic paintings are not meant to express or communicate feeling, but are paintings which come to life by means of the optical illusions that they produce in the eye and mind of the viewer — they are only complete when looked at. Influenced by this and trying to produce something along these lines are the Jordanian artists Khawla Jamil Qasm and Ahmad Hassan. Both have made good attempts — Qasm most effectively in her rippling and finely attractive black and white grids, Hassan by using colour to generate his illusion. Both should develop along these lines, perhaps producing more complex images, for instance making one colour by optical means bleed into another, or by making the picture move from warm to cool through a progression of hues.

Optical distortions and biomorphism are some of the attractions that surrealism still holds, for the political and philosophical ideas that initiated the movement are no longer really relevant. Ziad Tamimi, Mohammad Issa and Munir Deraz have adapted their surrealist influences to their own styles. Tamimi and Deraz use Dali-like images of one form turning into another — the sea that becomes the back of a woman, the roots of the tree that on second glance become the toes of a foot — while Issa concentrates on producing graphic organic visions that seem to come from another planet. Although all three are producing good work and the images that surrealism encompasses are seemingly limitless, they are nevertheless adding nothing new, and they should perhaps move on, using surrealism as a basis for their expression rather than a means. Surrealism is a movement that cannot be revived, only imitated; and no work done since can surpass the imagination, the skill — the madness even — of the work achieved when the movement was in its heyday. The logical progression from surrealism was perhaps through to abstract expressionism.

Pure joy

Which brings us finally, as we trace our way from figurative art to true abstraction, to the work of Princess Fahrelnissa Zaid's most dedicated and serious students.



Ceramic sphere bearing calligraphy, by Mahmoud Taha

whose abstract paintings are nothing but pure joyful evocations of their feelings and emotions. Since their February exhibition these artists have been working hard, resulting in some fine new work. Hind Naser crowned her earlier style with the nebulous and strongly emotional abstract painted in blues, earthy browns and hints of soft pinks, colours of instinctive subtlety, before turning off to a new style. Her latest work shimmers transparently, the eye given direction by the textual pauses, all in colours and hues that are Naser's forte. Ufemia Rizq is also exploring different avenues, and with great ability she moves from depicting the strengths of the fiery cosmos to gentle peaceful introspection — the creamy browns of her latest piece showing another facet of this artist's character. The energy of Suha Shoman conveys itself in the randomness of her glowing reds.

Confidence
Which is what Ahmad Nawash is still doing. Although accused by some of a rigidity and monotony in compositional formula, Nawash is working through his own highly individual style from darker, more obscure reflections of the individual dilemma to clearer, lighter, gayer figures that seem to indicate the artist has passed from insecurity to confidence. "Two Florentine Ladies" and the gay circus scene are full of hope, and have a strength of direction that is far from being repetitious. Optical and Kinetic art, with their roots deep in the Bauhaus tradition — because they were the consequence of the kind of experiments the Bauhaus encouraged, — have been explored at their best by Victor Vasarely and

last year), but in how they are going to fulfill the promise of these first works. Finally, there is quite a number of very poor works in the exhibition that unfortunately lack any artistic merit. The good and the bad works, however, together make up a comprehensive and interesting survey of the present Jordanian art movement. Where is the movement headed? It is moving slowly but steadily towards quality.

People... in the news

A UNIQUE man with a unique mission passed through Amman on Tuesday. Swami Vishnu Devananda, an Indian-born Canadian citizen, arrived here after staging a peaceful demonstration against aggression in front of the Israeli Knesset.

The method of demonstration was quite an unusual one — the swami and his students stood on their heads for one hour. However, the swami was unable to stay at the Knesset for very long, because he was due at the King Hussein Bridge over the Jordan River to perform another headstand protest.

The subject of the Hindu ascetic's protest is nuclear warfare; and his goal is to help the world survive until the 21st century.

"I believe that the Third World War will begin either in the Middle East or in Ireland," Swami Vishnu said in an exclusive interview with the Jordan Times. "Israel is in possession of a number of nuclear bombs, and the danger lies in the fact that small countries (such as those in this area) have nothing to lose. And there is no way to escape."

"The Third World War will not be started by the superpowers, Russia and the United States," he says. "The war will be ignited by a minor power that manages to develop an atomic bomb of its own."

"However, when small nations develop nuclear weapons, which is inevitable, it will not be long before they wind up in the hands of some terrorist group. Once these extremist groups have atomic bombs, you can rest assured that they will assemble these bombs in major capitals of the world."

Swami Vishnu Devananda has been around the world several times on this type of peace mission. He is best known for his world peace mission in 1971, when he and a Jewish American co-pilot dropped peace leaflets over the Suez Canal, when he and the late Peter Sellers demonstrated for peace in Belfast. As a result Swami Vishnu has been dubbed "the flying swami".

Public Relations Manager Lucy Aslo said.

One of the slogans that were popular at the last party was, "Behind every good boss, there is an even better secretary!" Another exhorted employers: "Your secretary is worth her weight in gold: make sure she doesn't devalue..."

This year's party, to be held in the Intercontinental's new ballroom, has been postponed for a few days, and is now set for Monday, May 4. The guest list is roughly 230 names long, ranging from bank employees to those of travel agencies. Both local and foreign firms are participating.

THE DIRECTOR of the Press Department at the German Agency for Technical Cooperation (GTZ), Mr. Thomas Neumaier, left Amman recently after a two-week visit to Jordan.

During his visit, Mr. Neumaier worked on the filming of Jordanian projects in which the West German government is participating. He also met with a number of officials, and conducted interviews to be published in West German newspapers.

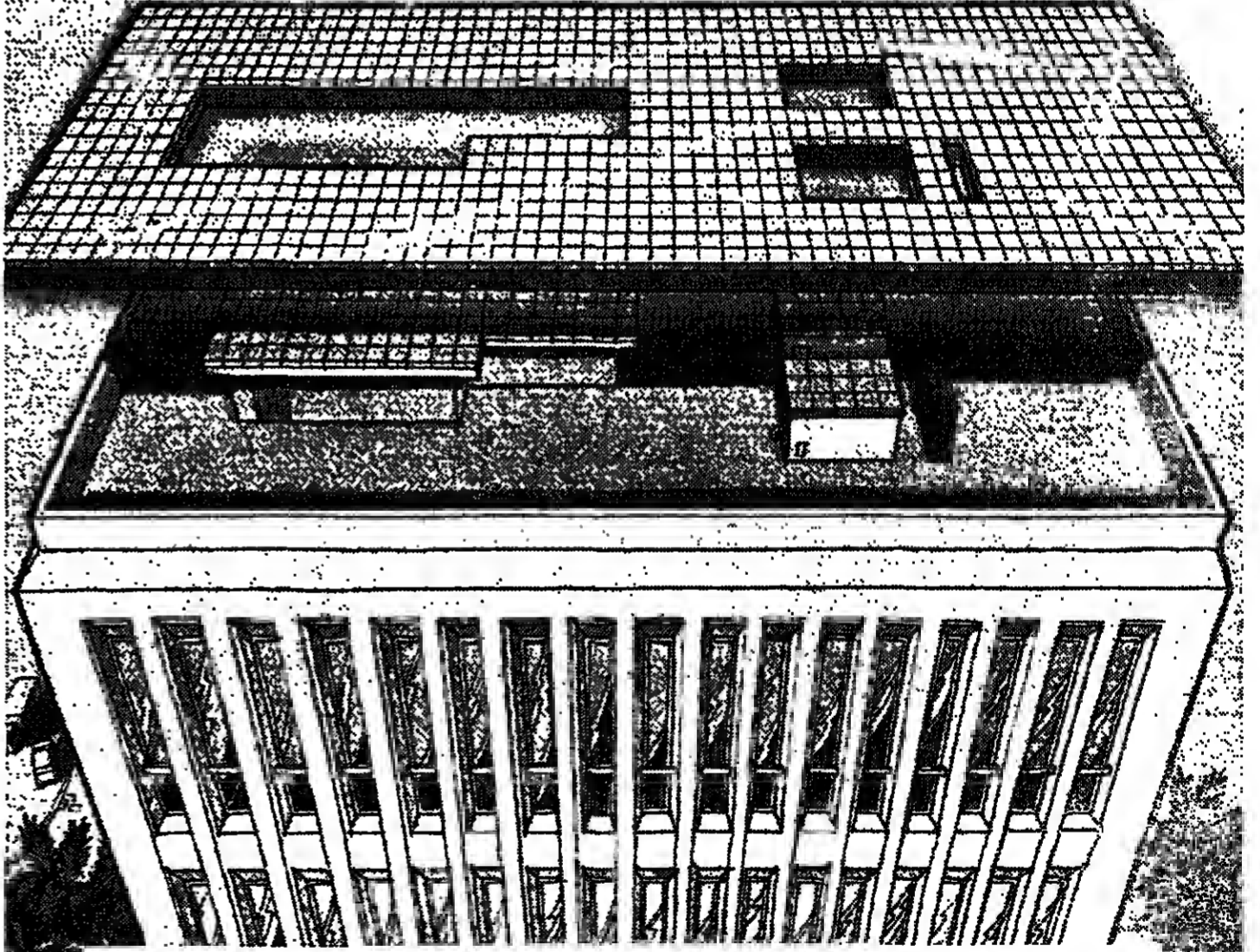
While here, Mr. Neumaier expressed admiration for Jordan's achievements over the past 10 years. He had, it seems, requested specially to be sent back here — for he held the post of information specialist between 1969 and 1970 at the agricultural information section of the Ministry of Agriculture.

IF YOU are a secretary who feels overworked and underappreciated, then the people at the Jordan Intercontinental Hotel are just your type.

Picking up on the international custom of the Secretaries' Week, widely observed during the last week in April around the world, the Intercontinental will bring to Jordan its own Secretaries' Day by throwing a party in honour of Amman's hard-working secretaries and their bosses.

The hotel sponsored a similar event two years ago, and due to its success they have decided to repeat the event this year. "The main thing is that this is a new idea in Jordan."

The upside-down roof, with Roofmate* from Dow: a combination no climate can beat.



The upside-down roof concept is simple enough. It means that insulation is applied outside instead of in. This creates a thermal barrier above the building, helping to control temperatures inside, and at the same time protects the construction build-up of the roof.

The application resists extremes of temperature and humidity and other damaging elements in the atmosphere and provides a unique protection against impact damage.

Roofmate* boards are laid loose on new flat roofs or on existing roofs, and covered with a layer of gravel or paving stones. Because of their simplicity and the protection they afford, roof maintenance is reduced and servicing becomes easier. Roofmate's* strength allows for more varied uses of the roof while the thermal insulation provided assists in maintaining a comfortable environment within the building.


Roofmate* and Styrofoam* are extruded polystyrene foam insulation boards from Dow with a closed-cell structure which dramatically reduces weather penetration.

Roofmate* and Styrofoam*: Products ideal for the Middle East, made in the Middle East.

Applications. The upside-down roof. Thermal upgrading of existing roofs.

Internal wall lining. Cavity wall insulation. Cold store panels and floor insulation.

Characteristics. Closed-cell structure. Excellent water resistance and extremely low water vapour transmission. Light-weight. Good compressive strength. Long-term insulation performance. Easy to cut, shape and fit.

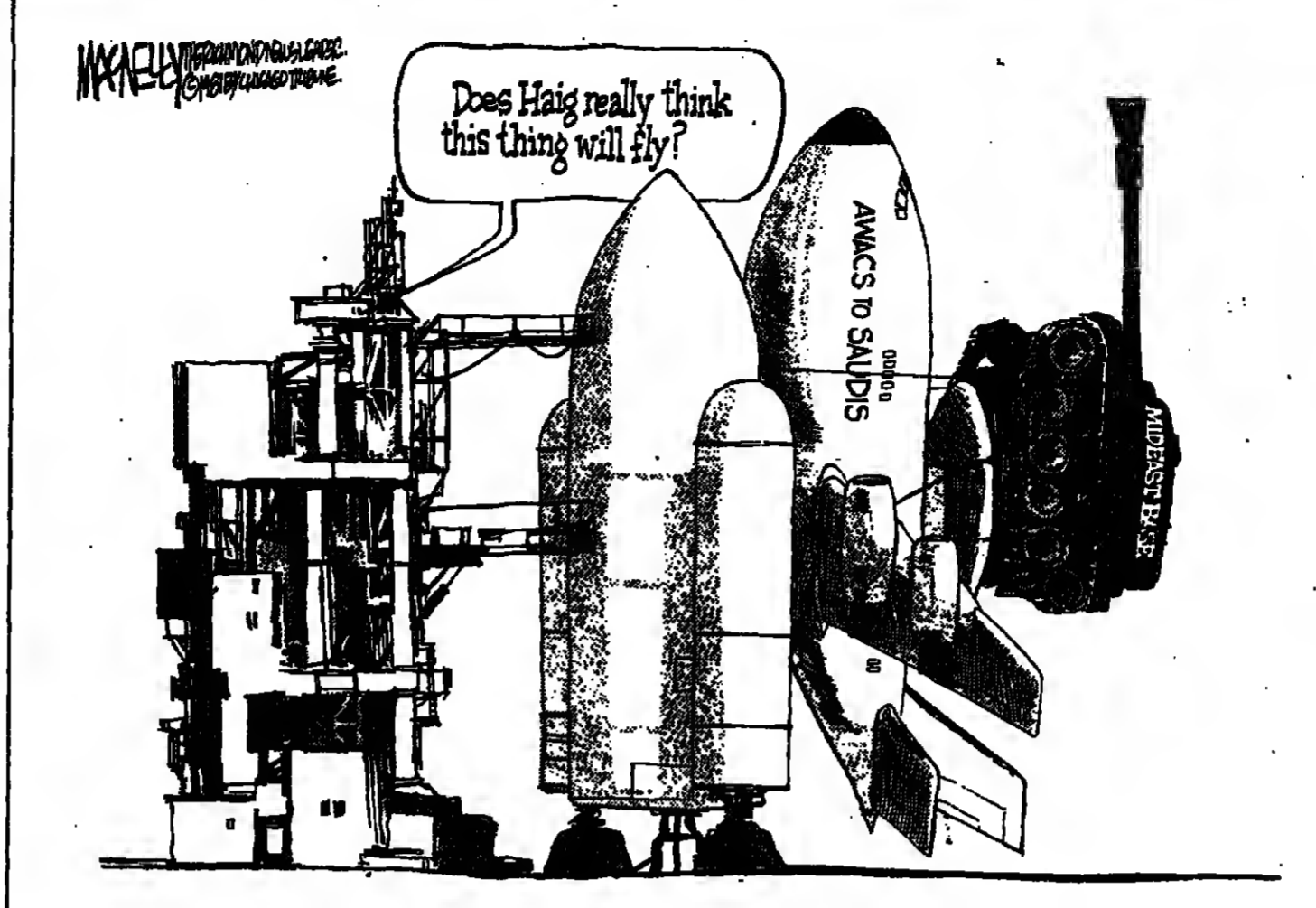
For further information please contact: Teknitrade, P.O. Box 11-6418, Beirut, Lebanon. Tel: 354810/1/2. Telex:  In the Middle East. *Trademark of The Dow Chemical Company

ISI LON. 81/1

OPINION

Jordan Times

Responsible Editor: MOHAMMAD SA'AD... Board of Directors: JUNA A. HAMMAD, KANA ELISSA... Editor: SA'AD EL-HOURI... Managing Editor: SA'AD EL-HOURI... Telephone: 6717-2344... The Jordan Times is published daily...



RED & BLACK The food lords

By Jawad Ahmac

A friend of mine gave me a book entitled 'Merchants of Grain', written by Washington Post correspondent Dan Morgan. Once I dipped my nose into the book, I did not let go until I read it from cover to cover. In narrative style, the book talks about the operations of the largest five food merchants of the world, describing with enigmatic deft their extraordinary world. Those five giant firms are Cargill, Continental, Bunge, Louis Dreyfus, and Andre'. Stunningly enough, these oligopolies are owned by only seven American and European families. These companies control the bulk of the world's food trade which added up to more than \$55 billion in 1980. The major staple items which they basically deal with are wheat, corn, rice, sugar and soybeans. The most intriguing fact is that these companies, owned and run as they are by very few people, namely families, have succeeded in preventing large corporations from breaking into the market which is still controlled by the more efficient, less routine-ridden family companies. The operations of these firms are often entangled with politics. Grain embargoes, or the threat to use them, is often executed through these firms which always show readiness to cooperate with governments. Yet, if such embargoes become constraints on their profits, they use their strong lobbies to change the course of events. Their sheer size is not dependent on their grain trade alone. They are 'large multinationals with extensive interests in shipping, banking, food processing, insurance, mining and many other fields'. Due to their size on both the buying and selling sides of the market, they can restrict entry by any ambitious potential competitor. To execute their business with a high degree of certainty, they choose a close network of agents in their markets. Such agents enter into the big contracts of food sales or purchases in their respective countries. With great ability they make certain that this network of agents guarantees oligopoly in their respective markets. Their wheeling-dealing operations which are carried out by measures that are often adopted by governments to curb their monstrous influence. The question which comes to mind first and foremost is how a country like Jordan might influence on the prices and quantities of food supplies. For instance government policy in Jordan is to restrict the importation of major food items into its own hands. However, this is a merrier for such companies and their agents. The government's monopoly means large grain sales which can be fulfilled only by these companies. Moreover, the conditions of the contract can be easily met by them which impose a barring corral on outsiders. Thus with more restrictions, such companies can gain more. Thus, if any government wants to monopolize the purchase of food supply, it must deal directly with such companies rather than through agents. Even with that there is no guarantee that price will be lower. Countries should also expand their storage capacities in order to buy large when prices go down, keeping in mind, however, that these large companies will not wait and watch idly. The soundest policy is to produce one's own needs at home. Otherwise, we will continue to be dependent on the actions and reactions of the grain lords. To enhance domestic production, we need more market freedom which is currently not available as it should be in Jordan.

Political technology

THE MEETINGS here this week of the Arab Satellite Communications Organisation (Arabsat) perhaps lack the drama and rhetoric of more politically oriented Arab gatherings. But it is the work of groups such as these that will have the greatest impact in the long run on whether or not the future development of the Arab people is based on intelligently identified national resources, rather than on allowing our resources to react haphazardly to global pressures and the more powerful market forces of giant economies in other continents. The fourth Arab Conference on Mineral Resources, also taking place in Amman this week, is another example of the technical coordination that has to lie at the base of systematic Arab cooperation, to flesh out the broader political will to mesh the different Arab states into an integrated whole. It is rather extraordinary that we still have to communicate with other Arab capitals via the communications systems of Europe and North America, for example, or that Arab news organizations have to rely on their Western colleagues for the provision and transmission of news and pictures. The Arabsat project will be a giant step forward in the field of intra-Arab communications, providing the technical base upon which we will have to demonstrate our capacity for serious cooperation and self-help. As such, the political burden of putting our words and ideas into action will become more urgent, and more feasible.

ARAB PRESS COMMENTARY

AL RA'I: The Arab people in Syria have never been isolated from our proud Arab people here in Jordan. The kinsmen here and there are linked by ties of amity, fraternity and common faith in the unity of their heritage and fate. It seems that those strong ties are the thing which disturbs the Syrian regime, which has decided that its survival depends on severing these ties and erecting a terrorist wall to protect itself and to isolate these kinsmen from one another. In accordance with this strategy, the Syrian regime fabricated the tension with Jordan, and entered the world of underground crime by carrying out several organized crimes which were exposed and became known to everyone. Nevertheless, all these crimes only made stronger the ties between the Jordanian and Syrian peoples, and only enhanced the isolation of the Syrian regime. The Syrian regime, which acted with cowardice when it came to unity with Iraq and then stashed unity in the back and deviated from Arab solidarity with the Golan Heights still occupied, should be the last to speak about pan-Arab ideals. The heroic struggle which our kinsmen are waging in fraternal Syria against the repressive, domineering regime is the strongest expression of their allegiance to the strong ties hindering them to their kinsmen here in Jordan. Terrorism will inevitably come to an end, and this is the day when the repressive regime will fall. AL DUSTOUR: At a time when feverish accusations are being made and campaigns of casting doubts and political outbidding are being unleashed in order to conceal the shaky conditions in, and to disguise the conspiratorial designs of, Damascus, a cultural process is being launched in Amman. This process will contribute to the deepening of feelings of unity, and solidarity, and to keeping pace with the spirit of the age, in order to consolidate the position of the Arab Nation and its strength in confronting all the obstacles and challenges standing in its way. The Arabsat meeting currently being held in Amman is aimed at implementing the Arab satellite project, with its great significance in alleviating several of the problems of this nation and enabling it to take up again its civilised role and to enrich science and education. In his opening address to the conference, His Royal Highness Crown Prince Hassan expressed Jordan's belief in and commitment to joint Arab action for the good of all the Arabs. He also emphasised the significance of the concept of self-reliance, and the need to move into the phase of action on every level.

JORDAN TIMES DAILY GUIDE

Table with columns for TV and Radio schedules. Includes sections for 'JORDAN TELEVISION FOR THURSDAY', 'FOR FRIDAY', 'RADIO JORDAN', and 'BBC WORLD SERVICE FOR THURSDAY & FRIDAY'. Lists programs like 'News Headlines', 'Pop Session', 'Arabic Series', etc.

Table with columns for 'ARRIVALS', 'DEPARTURES', 'EMERGENCIES FOR THURSDAY', 'DOCTORS', 'PHARMACIES', 'FOR THURSDAY', 'FOR FRIDAY', and 'AMMAN AIRPORT'. Lists destinations like Cairo, London, Paris, and services like taxis and ambulances.

Table with columns for 'CULTURAL CENTRES', 'MUSEUMS', 'SERVICE CLUBS', 'USEFUL TELEPHONE NUMBERS', and 'MARKET PRICES'. Lists various cultural and service organizations and their contact information, along with a list of market prices for various goods.

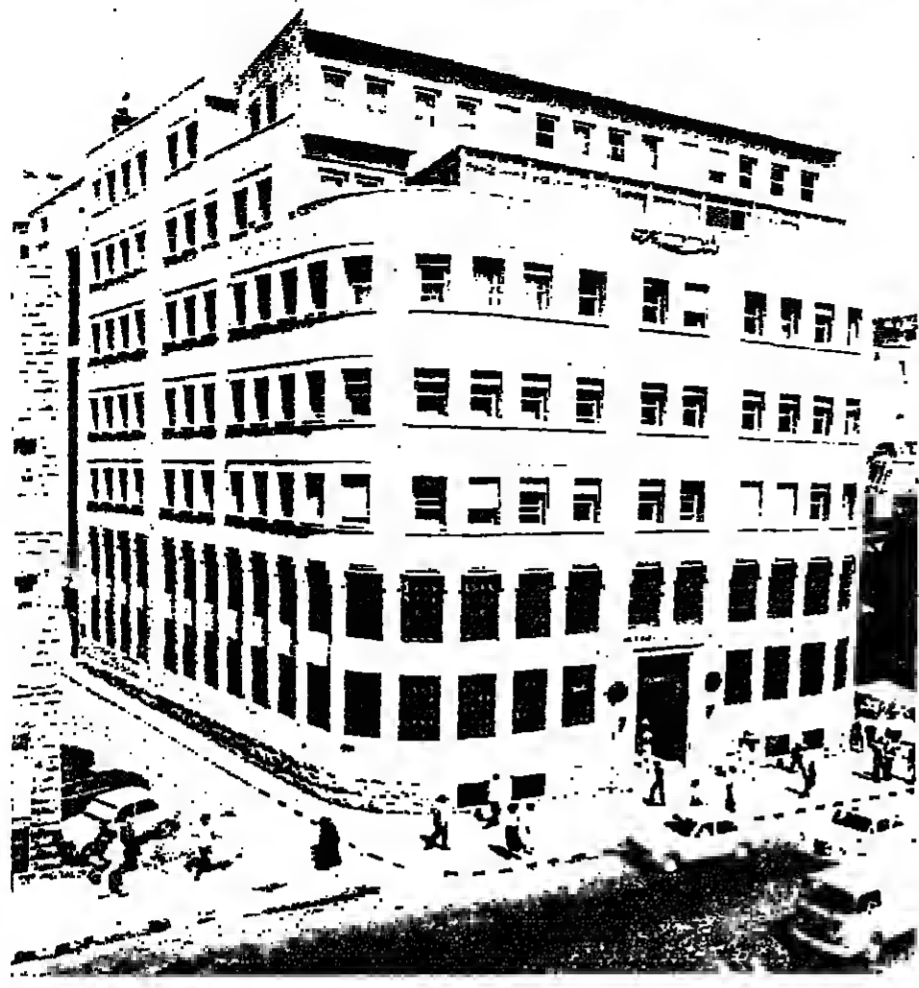
Table with columns for 'PRAYER TIMES FOR THURSDAY', 'FOR FRIDAY', 'LOCAL EXCHANGE RATES', and 'MARKET PRICES'. Lists prayer times for different locations, exchange rates for various currencies, and a detailed list of market prices for items like tomatoes, eggplants, and various fruits.

Handwritten Arabic text at the bottom center of the page.

هنا من العمل

How the banking system developed

By Jenab Tutunji
Special to the Jordan Times



Arab Bank building, Amman

AMMAN — One might say that over the past five years, the banking system in Jordan reached maturity. Growth in this area has been spectacular in sheer size, but it is the brisk institutional changes, the emergence of investment banks, new financial instruments and secondary capital and money markets and a stock exchange that have added flesh to the bones and introduced much needed sophistication to a system whose growth had been frozen for some years.

One banker remarks that prior to 1976, banking in Jordan was a purely local affair: it catered almost exclusively to the requirements of merchants, the size of its operations and volume of transactions was small and the system was conservative, exhibiting little growth.

Political stability following the hectic days of the late sixties and early seventies, a growing economy in a predictable environment, limited controls on a free market, government legislation that encourages private enterprise, liberal laws regarding Arab investment and a central bank that is responsive to the needs of the system have attracted funds and investors from the neighbouring oil-producing states and remittances from Jordanians working abroad. The sense of security is enhanced by the feeling that the legal system is fair: "You can appeal to the law and get your rights; you get a good hearing here," one banker remarked, adding that this is not always the case in other Arab countries.

The main growth has been in auxiliary institutions around commercial banks and the emergence of corporate markets and corporate institutions. The most significant institutional developments were the creation of the Amman Financial Market (AFM) or stock exchange in 1978 and the licensing of four investment banks during 1978-79: The Arab Jordan Investment Bank (AJIB), the Arab Finance Corporation (Jordan), the Jordan Securities Corporation (JSC) and the Jordan Islamic Bank, the last of which will operate along Islamic banking principles, as its name implies. There was also the establishment of the Pension Fund in 1977 and the Social Security Corporation in 1980, which are emerging as important entities in the field of Finance.

The most important functions of investment banks in Jordan is managing, underwriting and marketing corporate share and bond issues, managing syndicated loans, arranging foreign exchange deals, providing brokerage services on the stock exchange, managing portfolios of securities, accepting long-term loans and lending money on a long term basis. Basically, they are intermediaries between the productive sector which needs finance and both private and institutional investors with surplus funds.

The most important financial instruments introduced were local syndicated loans, pri-

vate sector corporate bonds and certificates of deposit.

Although bonds had been floated for public corporations in the mid-seventies, in September 1979, AFC (Jordan) and AJIB got together to manage and jointly underwrite the first bond issue for a private firm, the Jordan Cement Factories Company, a JD 5 million, 8.5 per cent issue that matures in 10 years.

The first tranche of a JD 10 million bond issue for Alia, the Royal Jordanian Airline, was floated in June 1980. It was managed, underwritten and marketed by AFC (Jordan), AJIB and JSC. The second tranche, worth JD 5 million, will be offered in May 1981.

Dr. Khalil Salem, chairman and chief executive of the Arab Finance Corporation (Jordan), and a former governor of the Central Bank, told the Jordan Times that his firm was involved in a JD 5 million bond issue for the Petroleum Refinery Company, a JD 2.5 million issue for the Jordan Timber Processing Industries Company and possibly a JD 6 million issue for the Resthouses Corporation to be floated this year. AFC (Jordan) is also talking to the glass factory to be set up in Ma'an about underwriting bonds for them.

One problem with the bond market is that the tax status of banks holding corporate or government bonds is unclear. In 1979, when they were first issued, the government declared interest earned on corporate bonds to be tax free. The same is supposed to apply to government bonds. But the income tax department went to court and obtained a ruling that whereas the tax exemption shall continue to apply to individual bond holders, banks and other institutional holders would have to pay tax. Bankers are up in arm about this, and there was a sharp drop in government bonds in the portfolio of banks, from JD 83.2 million in October 1979 to JD 54.4 million in June 1980.

This is a pity as the major bond holders are traditionally banks and institutional shareholders.

Furthermore, despite the tremendous success of the Amman Financial Market, which has tripled its growth over each of the last three years; reaching a trading volume of JD 40 million last year, this relates entirely to equity. The market is not developed in bonds or certificates of deposit, although government bonds are being traded on the market, and the Central Bank is thinking of issuing government bonds with a higher interest rate on condition that they not be redeemable by the Central Bank on demand, as is the case now.

Underwriting private sector corporate share issues is another new function on the market being undertaken by investment companies. In the second half of 1980, AFC (Jordan), JSC and AJIB, underwrote a JD 1.48 million share issue for the Arab Aluminium Company (Aral). By the end of December, each of the companies was left with about JD 45,000 of Aral shares in its hands, with which they were not

disposed as the closing price on Dec. 31 was higher than the price the underwriters had paid.

Nevertheless, Dr. Salem says the management of share issues is sporadic. People are not encouraged to approach us on this as they want to avoid the payment of commission. But in the long run, this kind of activity will definitely expand, as people will come to recognise its advantages.

One also has to keep a close watch on the absorption capacity of the market, Dr. Salem remarks. You can just dump securities on the stock exchange. Prices dropped on the exchange last year because the Ministry of Industry and Trade licensed ten new insurance companies at once.

One improvement he suggests is that we should create a central authority which will approve the prospectuses for new security issues. The way it now works is that each prospectus has to be processed by the Central Bank, the Ministry of Industry and Trade, the Amman Financial Market and the Ministry of Finance. Such a body could be set up within the stock exchange, but Dr. Salem objects. I am completely opposed to this. The Amman Financial Market is a place for trading, not for deciding financial and monetary policies.

Although syndicated loans predate the involvement of investment banks, managing such loans is one of the most important services that investment banks now provide. The trend is to get away from Eurodollar loans and to replace some loans from the Eurodollar market with local syndications. The total volume of such syndications stood at JD 43 million at the end of 1980. The first one was signed in December, 1978 and the biggest was a JD 9 million, 11 year loan to Alia at 9 per cent interest and a five year period of grace guaranteed by the government with the Arab Bank acting as agent and lead manager. The Industrial Development Bank has been the lead manager and agent for three loans, and all three investment banks have been heavily involved in syndications.

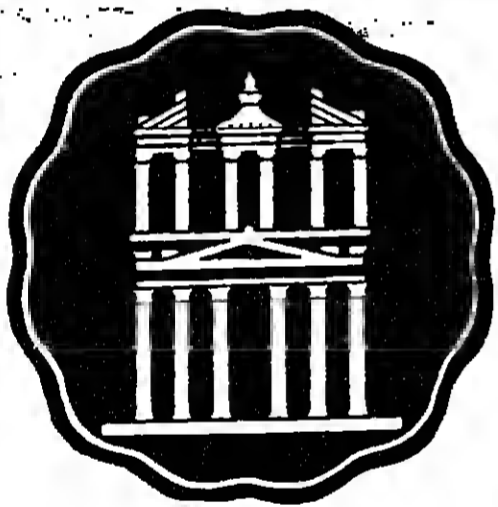
Dr. Salem says AFC (Jordan) hopes to put together a JD 5 million syndication for the Jordan Refinery Co., and a JD 2.5 million syndicated loan for the Jordan Timber Processing Industries Company (JTPIC). Thus the refinery and JTPIC would be financing their requirements using both bond issues and syndicated loans. As it happens, syndicated loans are very attractive to local banks. They are deductible from the credit to deposits ratio, are denominated in a stable currency that carries little risk, are government guaranteed and have all gone to finance well studied projects. It would have been different had we been talking about under the mill projects, one banker commented.

The Central Bank has also been willing to provide the foreign exchange required for

JORDAN TIMES BANKING SUPPLEMENT

APRIL 30, 1981

Produced by IRSHAD NAJAM



Petra Bank

A Jordanian Public Shareholding Company.

BANKING IS CONFIDENCE EXCHANGED.

BANKING IS BEING THERE WHEN YOU ARE NEEDED.

BANKING IS FEELING WELCOMED WHEN YOU ARE SERVED.

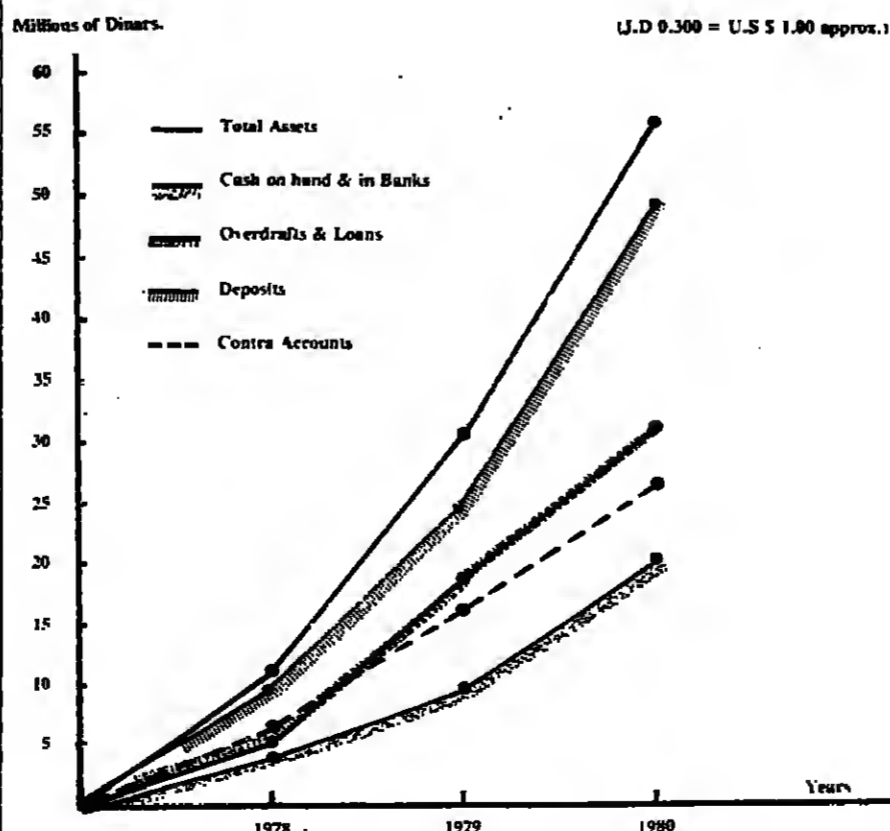
We try to be all these things at PETRA BANK.

Our Branches are fresh and bright. Try us for all your banking needs!

Main Office: Municipality Street (Seif Street)
P.O. Box 6854 - Amman
Tel. 38361 Tlx. 21868 PETRAB JO

Branches:

- City Branch : King Hussein Str.
- Shmeisani : Shmeisani - Amman
- Ras El-Ein : Ras El-Ein Str.
- Jbeiha : King Hussein Str. - Jbeiha
- Wadi Saqra : Wadi Saqra Str.
- Al-Hashimi : Zahra' Str.
- Abu Alanda : Main Str. - Abu Alanda
- Bayader : 8th Circle - Bayader Wadi El-Seir
- Karak : Al-Omary Mosque Str. - Karak



BALANCE SHEET AS AT DECEMBER 31, 1980 IN JORDANIAN DINARS

ASSETS	1979	1980
Cash on hand & in Banks	9,982,439	21,601,962
Portfolio Securities		
Government Bonds	125,000	305,000
Local Shares & Bonds	542,507	459,256
Discounted Bills	4,918,687	7,769,329
Overdraft Accounts & Loans	13,453,751	22,868,597
Syndicated Loans	384,000	1,256,610
Net Fixed Assets	973,102	1,289,420
Other Assets	450,920	677,483
Total Assets	JD 30,830,406	56,227,657
LIABILITIES	1979	1980
Demand Deposits	6,509,758	10,523,968
Savings & Term Deposits	9,407,305	25,642,013
Bank's Deposits	8,690,879	12,404,658
Cash Collaterals	2,523,481	3,021,805
General Provisions	256,156	482,392
Other Liabilities	309,577	864,030
Paid up Capital	3,000,000	3,000,000
Legal Reserves	27,686	98,949
Other Reserves & Retained Earnings	105,564	189,841
Total Liabilities	JD 30,830,406	56,227,657
CONTRA ACCOUNTS		
LC'S	9,816,767	9,797,793
LG'S	7,026,223	12,624,504
Other Liabilities	787,272	4,865,977
Total Liabilities	JD 17,630,262	27,288,274

BANKING SUPPLEMENT

syndicated loans required for purchases abroad, as in the case of the Alia loan. In other countries, if one needed the foreign currency, one would have to borrow on the Eurodollar market. The Central Bank's foreign currency reserves are extremely high, so it can afford to do this.

For borrowers, the advantage is that local syndicated loans are cheaper than Eurodollar loans, although they cannot hope to replace or even match them at this time. They in practice carry a fixed interest rate, and are denominated in a very stable currency that is not any more likely to rise than it is to fall.

The big spurge in syndicated loans has been due to the number of major projects going up, and to the fact that the Central Bank felt that the dinar market was overliquid and that adequate interest rates were not being paid. The syndicated loans tightened up the market a bit.

The Central Bank is also willing to refinance syndicated loans for investment banks just as it is willing to do for commercial banks. In measures adopted this year, the Central Bank also told investment banks it was prepared to rediscunt their participation in shares or bonds issued by shareholding companies with a capital exceeding JD 5 million.

Interest rates on corporate bonds and syndicated loans have exhibited a tendency to rise slowly, they no doubt have a promising future. In fact, any financing for a new, large scale project will probably need full orchestration, using shares, bonds, syndicated loans plus short term loans and overdraft facilities for working capital.

Certificates of deposit, an important money market instrument, did not catch on at first because they were not sufficiently attractive. But when the Central Bank agreed recently to lower the reserve rates on CDs to eight per cent they picked up. "We are selling CDs now," one banker remarked. Their total volume is still modest however, standing at about JD 287 million.

Forward exchange deals were also introduced a couple of years ago, but their use is still limited and banks that provide this service are operating under full cover, actually blocking the full amounts in foreign currency in banks abroad.

During the last five years, the number of commercial banks rose from 11 to 16, and their branches multiplied from 76 to 155. There are now five British and American banks operating in Jordan. Six regional offices for foreign banks were also licensed.

The money supply (M2) increased at an annual average of 27.4 per cent during 1976-1980, rising from JD 358.9 million to JD 968.7 million. By February 1981, it had reached JD 1,008 million.

Meanwhile, the Jordanian public was showing a greater tendency to use banks. The

ratio of currency in circulation to money supply fell from 48.2 per cent in 1975 to 36.3 per cent in 1980, while quasi money (time deposits, either due on fixed dates or subject to notice) rose from 22.1 per cent to 40.1 per cent in the same period. Demand deposits increased slightly in relation to money supply, from 36.4 per cent to 39.5 per cent.

Total commercial bank deposits (including those in the Housing Bank) rose from JD 168.7 million to JD 808.5 million between 1975 and 1980. Thus while currency in circulation in relation to money supply dropped from 50.1 per cent to 36.3 per cent, the ratio of total deposits to the money supply rose from 60.7 per cent to 83.5 per cent.

Commercial bank credits (including the Housing Bank) meanwhile rose from JD 126.7 million at the end of 1975 to JD 563.9 million at the end of 1980, growing at an average annual rate of 34.8 per cent.

Thus deposits grew almost 480 per cent in absolute terms while outstanding credit grew at about 445 per cent.

Compared over a longer stretch of time, the ratio of demand deposits to time deposits and savings deposits changed from 47:47.6 in 1964 to 36:48.16 in 1980, indicating a clear drop in the relative importance of demand deposits and a corresponding increase in savings deposits. But this does not indicate much, apart from the shifts in the interest rate structure, as savings deposits are not blocked, and are not that different from demand deposits other than in the interest they earn.

Interest rates on demand deposits in commercial banks fell steeply during the plan period from 5 per cent to two per cent while interest on savings deposits rose by 0.25 per cent to 5.5 per cent and on time deposits by 0.35 per cent to 6.4 per cent.

One dramatic change, due to the relaxation of foreign exchange controls, was that the gold and foreign currency reserves of commercial banks increased from JD 19.2 million in 1976 to JD 205 million in 1980, showing a dramatic jump between 1979 and 1980 when the relaxation of control took place. The Central Bank's gold and foreign currency reserves, meanwhile climbed from JD 185.7 million to JD 417.4 million. Deposits by non-residents increased from 17.6 million to JD 133.2 million between 1976 and 1980, with a dramatic jump again showing between 1979 and 1980.

The increase in bank's liabilities in foreign exchange is to be attributed to the fact that Jordanians were allowed to keep accounts in foreign currency up to JD 10,000. Jordanians working abroad were allowed to transfer money in any amount and any currency, and that banks are also offering "offshore" banking facilities for Saudis, Syrians and Iraqis.

One major hindrance to this last service is that there is not enough confidentiality. For-



A view of Amman's stock exchange

eigners opening accounts in foreign currency here have to send photocopies of pages in their passports to the Central Bank.

Commercial bank credits continued to be channelled mainly to financing trade and construction, although there was a shift in their relative importance. Credit for construction went up from 24.9 per cent of the total in 1975 to 30.7 per cent in 1980, while credit for trade declined from 40.5 per cent to 29.6 per cent. Credit for agriculture, industry and mining went up marginally from 16.2 per cent to 18.2 per cent.

Commercial banks are accused of shying away from medium and long-term loans. The Association of Banks in Jordan replies that until such time as long term deposits increase significantly or until medium term certificates of deposit come to constitute a significant ratio of commercial banks' liabilities banks cannot extend long term credit without undue risk. Another important development that would induce banks to advance money to development projects on a long term basis is it a regular and well organised inter-bank market develops. This is a distinct possibility within the coming two years, the Central Bank Governor, Dr. Muhammad Sa'ad Nabulsi remarks.

The association also argues that banks cannot be blamed if a high percentage of their outstanding credits goes to finance trade on a short term basis, as this merely reflects the structure of the Jordanian economy, and the nature of activities of commercial banks. The association points out that imports account for 80 per cent of consumption in Jordan, and reducing credit to finance trade would lead to a shortage of consumer goods.

It does note, however, that there are two faces to this particular coin, as trade comprises both imports and exports. Although imports predominate, more of the credit for trade may well be channelled towards financing exports in view of measures the Cen-

tral Bank adopted to encourage this at the end of last year.

In order to make cheaper credit and higher liquidity available to Jordanian exporters, the Central Bank decided to grant loans to commercial banks on the basis of export credit facilities made available by such banks.

Advances will be granted to commercial banks for maximum period of 180 days on the strength of documentary letters of credit in favour of Jordanian exporters, for up to 60 per cent of the value of the documentary credit; Dr. Adnan Hindi, executive director of the banks supervision department at the Central Bank, said.

One hundred and eighty day advances will also be granted to bank on the strength of documents sent for collection on the evidence of bills of lading for Jordanian exports, for up to eighty per cent of the value of the goods shipped, Dr. Hindi explained.

Accepted and guaranteed bills of exchange drawn up in accordance with the documentary credit and bills of lading mentioned above will also entitle banks to 180-day advances from the central bank, he added.

Interest paid by banks on such advances will be at the prevalent rediscount rate, which is generally about six per cent. Banks may in turn charge their customers interest at one per cent above the rediscount rate, plus half a per cent in commission, so that Jordanian firms will be paying about 7.5 per cent credit instead of the standard 11 per cent.

On banker noted that the use of such facilities by banks has so far been limited as the spread, or difference between their lending rates and the cost of funds, is 1.5 per cent which is not an improvement over the market.

Commercial banking services have witnessed other innovations, such as the introduction of the use of computers in their operation. Petra Bank led in this field, and was followed by Citibank. So far they are the only

two banks to have introduced automation. One criticism of the services of commercial banks is that they are concentrated in Amman. One target for the new development plan is to get them to increase their branches in other parts of the country.

Commercial banks also tend to cater to depositors. Furthermore, their credit facilities are monopolised by a few, favoured customers. In 1979, 48.7 per cent of all credit facilities extended went to 0.4 per cent number of individual and institutional borrowers.

Credit advanced by specialised credit institutions, apart from the Housing Bank, has doubled, rising from JD 25 million at the end of 1975 to JD 57.3 million at the end of 1980, although this still remains modest. Outstanding credit by the Housing Bank rose dramatically, however, from JD 103.1 million.

The role of specialised credit institutions is still limited and they in general do not lend policies that will allow them to influence the productivity of the credit market.

As for contractual savings institutions, the Pension Fund had investments totalling 100 million by the end of 1980 and is slowly transformed into a holding corporate Social Security Corporation, which was established in 1980, had invested about 100 million in industrial projects by the end of 1980. An increasingly important role is foreseen for both institutions in years to come. The Post Office Savings Fund investments totalling JD 4.6 million at the end of 1980, as opposed to JD 0.75 in 1975.

Development bonds worth JD 52 million were issued during the 1976-80 plan about 50 per cent of which were bought by public. JD 20 million worth of bonds were used by public corporations during the period.

Seventeen new Jordanian insurance companies were licensed during the last five year period, with a combined capital of 100 million. Two foreign insurance firms were licensed, bringing up the total of insurance companies operating in Jordan to 36, of which 13 are foreign.

Money changers played a vital role in the flow of foreign exchange in and out of the country. New legislation that came into force provides incentives for existing money changers to convert to shareholding companies, whether private or public. Meanwhile Central Bank is only licensing public reholding companies among applicant licences. The objective is to consolidate service such firms offer by getting them to increase their capital and maintain books and standards of financial discipline. While some small operators may suffer, the profession should benefit.

Bank on Grindlays



An artist's impression of the new "Grindlays Centre", Shmeisani, which is scheduled for completion during May 1981. The building will house:-

- A new branch of the Bank.
- Our Corporate and Multinational Banking Units.
- The General Management Offices.
- A Central Processing Unit for all our Amman Branches.

MIDDLE EAST COMMUNICATORS



BRANCHES IN JORDAN: AMMAN (8), IRBID, ZERKA, AQABA, KERAK AND NORTH SHOUHEH

Head Office:
23 Fenchurch Street, London

The British Bank of the Middle East

A Member of The Hongkong Bank Group

البنك البريطاني للشرق الأوسط
عضو مجموعة بنك هونغ كونغ

Offices in

Bahrain · Djibouti · India · Jordan · Lebanon · Oman · Qatar
Switzerland · United Arab Emirates · Yemen Arab Republic

Other Group Interests in the Middle East
The Cyprus Popular Bank Ltd.
The British Bank of the Lebanon S.A.L.
The Saudi British Bank
Banque Internationale Arabe de Tunisie
Middle East Finance Co. Ltd.

Dubai - Abu Dhabi - Ras al Khaimah
Wardley Investment Services Ltd.
Wardley Middle East Ltd.

Dubai
The Hongkong and Shanghai Banking Corporation
Offshore Banking Unit - Bahrain

Head Office

1 Queen's Road Central Hong Kong
Telephone: 5-2677-111 Telex: 73201

In London

Falcon House, Curzon Street, London W1Y 8AA
Telephone: 01-493 8331 Telex: 27544
195 Brompton Road, London SW3 1LZ
Telephone: 01-581 0321/4 Telex: 8953821

بنك من الشرق

ANKING SUPPLEMENT

In MIDDLE EAST International Arab banking comes of age

Key development in Middle East banking over the past 12 years is the heightened awareness among the major institutions of the international market in which their business operates if they are to flourish. Domestic banking in the states or the North African countries might be profitable come banks. But the market, as a rule, narrow and is frequently by government or other restrictions on the number and type of entrants and the business listing banks. It is the international market for taking deposits and providing loans to the banks of the next decade turning to. Profits are to come by because the competition of the past decade has become so intense, but bankers willing to take the risks are convinced the rewards here.

The challenges and the opportunities are immense, and if feature of the last year is out it is a recognition those banks backed by the wealth of the major Arab producers will come to play a significant role in the international scene. Arab banks are in the same position West European and American banks found themselves during the late 1960s as the markets started to develop. The two groups from the same hemisphere are astounded. The new institutions arriving, but are travelling considerable power at command.

1973-74 the member states of the Organisation of Pet-

roleum Exporting Countries (OPEC) flexed their muscles and showed how they could use the oil weapon. Western economies were badly hit in the ensuing recession, the worst then seen since the 1930s. In 1980, the year following another very sharp rise in the price of oil and a deep depression in the West, the Arab states started to employ the money they acquired by creating institutions through which it be used effectively in the financial arena. New banks were born alongside those Middle East or Arab-orientated institutions which had emerged in 1975 and 1976 either in the Gulf or in Western Europe.

In the mid-seventies there appeared banks like the Bahrain-based Gulf International Bank (GIB), and the Union de Banques Arabes et Francaises (UBAF) whose effective headquarters stand in a Paris suburb. By 1979 the two were numbered among the top 50 banks in the world handling syndicated credits. In 1980 the grandly named Arab Banking Corporation (ABC) opened its doors for business and its chief executive, Abdullah Al-Saudi, made no bones about where the bank was going with the huge resources which were backing it: "ABC will become a major factor in international banking," he said quite simply. The bank is probably the largest manifestation of the emerging wave of Middle East banks.

Based in Bahrain, ABC possesses an authorised capital of \$1 bn of which \$750m was paid-up in September — one-

third each by the Kuwait Ministry of Finance, Libya's Secretariat of Finance and the Abu Dhabi Investment Authority. Al-Saudi, who until March was the chairman of the Libyan Arab Foreign Bank, said in a recent interview: "The idea of forming ABC came to us three years ago. We felt that while Arab banks had a presence in the international market over the past decade, they had not had any real participation. Most of them have been constrained in their activities by the requirements of their central banks and by those of the market. There has been a great increase in international liquidity. It has not been matched by an increase in their capitalisation."

"There is not one Arab bank, not even a consortium bank, among the world's top 100 banks — whether you measure size by capital or by profits. A consortium bank with capital of \$100m was big 20 years ago, but not today; it cannot hold its own among the world's leading banks. So we decided to create an institution which would be justified by the scale of Arab money that is available. We set out to create a bank which can take its place among the top 100, one which will be able to depend on its own resources."

The aspirations of al-Saudi match the size of the challenges facing Arab and Western banks. The surpluses of the OPEC states as a whole are expected to be in the region of \$120bn for 1980 with Saudi Arabia accounting for \$40bn, Iraq \$20bn, Kuwait \$16bn, the United Arab Emirates (UAE) \$12bn, Libya \$9bn, and Qatar \$3bn, according to the calculations of Chase Manhattan Bank. The accumulated surpluses of these states is estimated to be in the region of \$350bn.

The other side of the coin are the deficits faced by the industrialised states and the less developed countries (LDCs). According to the International Monetary Fund (IMF) the deficit of the industrialised states is likely to be around \$50 bn that

of the non-oil producing LDCs \$70bn.

The movements of funds from one group to another is where the banks come in. They are the intermediaries who handle the OPEC deposits and lend money out again to the deficit countries. In the process they make a profit. For six years this recycling was largely the preserve of the major Western banks like Bank of America, National Westminster, Banque Nationale de Paris and Deutsche Bank. In 1980 GIB and UBAF continued to play an important role, but with increasing frequency names like ABC, Al Bahrain Arab African Bank (Al Baab) and Arab Latin Americann Bank (Arlabank) kept cropping up in loans to the non-oil producing LDCs.

The development of the process received an unintended fillip from the freezing of Iranian assets in American banks by the US administration in retaliation for the taking of the hostages in Tehran in November 1979. Arab states, concerned similar action might be taken against them, moved less of their funds than previously into American banks and held less in the form of dollar deposits. The emerging banks of the Middle East benefited from the moves.

The freezing of the Iranian assets symbolised a greater awareness among banks of the way politics were intruding into the business. The question became particularly marked when Saudi Arabia and Kuwait lent their support to attempts, ultimately unsuccessful, to have the Palestine Liberation Organisation granted observer status at the annual meeting in the autumn of the World Bank and the IMF. Part of their pressure involved making clear a reluctance to provide funds for the two bodies.

On the international level the roles of the Saudi Arabian Monetary Agency (SAMA), Saudi Arabia's central bank, and the Kuwait Finance Ministry were thrown into high relief. SAMA, the (wholly government-

owned) Kuwait Investment Office and the 80 per cent state-controlled Kuwait Foreign Trading Contracting and Investment Company (KFTCIC) behaved like major international merchant banks during 1980. Amlid considerable secrecy-SAMA lent money direct to large US corporations like International Telephone & Telegraph, International Business Machines and Dow Chemical and to friendly states like West Germany.

More publicly Kuwait, through the KIO, made an unsuccessful attempt to buy a 15 per cent stake in Getty Oil for \$1 bn and did in fact spend large sums of money buying small but strategically important stakes in UK and US companies, apart from purchasing government bonds and real estate. In the UK, the KIO bought the Proprietors of Hay's Wharf property company. During May Kuwait invested \$63 m in a 10 per cent stake in Mat-tagesellschaft, the Frankfurt-based engineering group, to add to its 14 per cent holding in Daimler Benz and 25 per cent state in the Korf Stahl steel concern. A group of as yet unidentified Kuwaitis earlier in the year spent FF 550m (\$132.5m) on buying a Paris office complex in a deal said to be the largest property transaction in French history.

Kuwait's great merchant banking houses are known as 'the three Ks' — KFTCIC, Kuwait Investment Company (KIC), and Kuwait International Investment Company (KIIC) privately-owned group. Between them they were very active in the international bond market in 1980, lead-managing or co-managing issues for a number of major West European borrowers.

But it was the re-opening of the fledgling Kuwaiti dinar (KD) bond market that attention was focused upon. It was informally closed in September in the wake of a severe shortage of liquidity developing in the state as funds flowed into high-

yielding dollar investments. In fact the whole Kuwaiti banking system found profits very hard for much of 1980, because of the relatively high interest rates ruling elsewhere in the world and the reluctance of the authorities to discourage outflows.

In August, however, when the tide in US interest rates appeared to have turned, KIIC was allowed to reopen the KDS bond market with a 10-year KD 7m (\$26m) issue for the City of Oslo. It was greeted with enthusiasm by the Kuwaitis who are anxious to establish a credible international capital market in the Gulf, and shortly afterwards KIC brought the City of Stockholm to the market with a similar issue. Unfortunately, the development coincided with US interest rates climbing again and the outbreak of the Iraq-Iran conflict. The first prompted a rise in Kuwaiti rates, sent the Oslo bond to a discount to its flotation price and raised questions about the immediate future of the bond market, while the second forced the central bank to step in with restrictions on the outflow of funds from the state.

Further down the Gulf in Bahrain the conflict and the rise in US rates had much less of an impact. Indeed the key feature of the Bahraini banking industry of the year was the decision in June by the Bahrain Monetary Agency (BMA) to allow ten Japanese banks or financial institutions to set up various types of office on the island. The decision of the BMA, which in 1979 had imposed a moratorium on any more foreign banks establishing themselves, was in fact logical enough in that it had openly said it wanted to see more representatives in Bahrain of countries it felt were under-represented in the banking community.

That community is becoming fairly crowded, particularly the offshore banking units (OBUs) which were allowed to develop from 1975 in a conscious effort to promote the island as a major

financial centre in the Gulf. Bahrain has 19 commercial banks and one Islamic bank serving the local community. By the end of the July there were 58 OBUs. By definition they are allowed only to do business with customers outside Bahrain. The Japanese institutions, which are starting as representative offices between the autumn of 1980 and the spring of 1981, are expected to become fully-pledged OBUs eventually.

In terms of being a force in the market, only some six to ten of the OBUs carry much weight. They include major international banks like Citibank, American Express, Bank of America, Chase Manhattan and Lloyds Bank International (LBI). Of the Arab banks with market clout Gulf International Bank is the prima example. Many of the other OBUs on the island consist largely of two men and a secretary. The assets they have on their books are relatively small — one of the major American banks accounts for about 10 per cent of the OBUs' total assets of nearly \$33bn — and often a loan will simply be booked there on the instructions of head office. The important OBUs possess marketing officers, numbering six to a dozen, and push hard to win business, particularly from neighbouring Saudi Arabia.

A key development for the island was the government's decision in August to raise a loan of \$300m on the international market, the first time it had done so in its own name. The loan was lead-managed by GIB, ABC and the National Bank of Bahrain plus seven leading international banks. In the end 27 banks subscribed to the loan in an exercise which enhanced the state's position as a major financial centre.

In nearby Saudi Arabia the banks operate under a much less liberal system, one hedged round with a large number of restrictions. Even so, the local banking industry continued to flourish in 1980. The Jeddah-

-based Riyadh Bank, one of the kingdom's big two, produced record profits once again for its financial year to May. Gross profit of SR 433 m (\$120m) was 135 per cent up on the 1979 level. National Commercial Bank (NCB) performed similarly. Not surprisingly, the industry expects further increases, possibly continuing the pattern of the last few years of profits doubling for each accounting period.

The major development during the year was the completion of the Saudi-isation of the foreign banks in the kingdom. The seventh and last to undergo the change was Citibank which became the Saudi American Bank. Those and the indigenous banks all expect to benefit from the five-year plan unveiled last May with its very large government spending programme. The single greatest constraint on the development of the banks in Saudi Arabia is, however, the size of their capital, apart from the existence of well-entrenched money-changers and the religious prohibition on the payment or receipt of interest. The projects being undertaken by the government are so large that the banks have to take care not to over-reach themselves in their commitments.

At the same time the whole system is closely regulated by SAMA. The kingdom has in the past 20 years been hit or affected by occasional financial crises either within the state or elsewhere in the Gulf. SAMA will seek to prevent any recurrence, especially in the way it places restrictions on the international use of the riyal. The main line of defence involved demanding that major contracts be denominated in dollars. To SAMA the riyal was not to become an international currency. SAMA's determination was underlined in a remarkable fashion early in 1980. Against all expectations the authority revalued, rather than devalued, the riyal against the dollar. Many foreign exchange dealers in

Jordan Securities Corporation

P.O.B. 926691 Amman - Jordan
Telex 22258 JSCO JO
Tel 62717, 62718, 65529 & 67614

Paid up Capital 2,000,000

A financial institution offering a full range of investment banking services in Jordan.

- Underwriting bond and equity issues
- Syndicated loans
- Stock brokers
- Financial management
- Portfolio management
- Local project advisory and financial services
- JD and foreign currency deposit takers

Shareholders include:

- | | |
|-------------------------------------|-----------------------------|
| European Arab Holding (Luxembourg) | Petra Bank |
| International Finance Corporation | Jordan Gulf Bank |
| Kuwait Int. Investment Co. (Kuwait) | Industrial Development Bank |
| Samuel Montague & Co. Ltd. (U.K.) | Jordan Kuwait Bank |
| The Housing Bank | Arab Jordan Investment Bank |
| Arab Bank Limited | |
| Cairo Amman Bank | |
| Jordan National Bank | |
| Arab Land Bank | |

Established 1960 in Amman, Jordan

BANK OF JORDAN LTD.



Offers complete Banking Services Correspondents throughout the world

As at 31st December, 1980

Capital:	JD 1,500,000
Reserves:	JD 2,107,911
Deposits:	JD 38,328,572
Total Assets:	JD 52,768,605

**Head Office: P.O. Box 2140, Amman
Telex, BANJOR JO. 21272 and 21946
Tel.: 44328, 42034**

**Chairman and General Manager:
Husni Sido Al-Kurdi**

Gen. Ziaur Rahman killed: Dacca says it's a coup attempt

NEW DELHI, May 30 (Agencies) — Bangladesh President Ziaur Rahman was assassinated today in an uprising by troops in the port city of Chittagong, the Press Trust of India (PTI) reported.

Bangladesh Radio, monitored in New Delhi, said the rebels had seized the Chittagong radio station and set up a revolutionary council.

An Indian government spokesman in New Delhi said the 45-year-old president was shot at the official guest house in Chittagong early this morning.

Bangladesh Radio said a state of emergency had been declared in the country and called on Maj. Gen. Manzur Ahmed, commander of the Chittagong army garrison to surrender.

Gen. Manzur, a known opponent of President Zia, was transferred to Chittagong from Dacca just over a month ago. Indian officials said.

PTI quoted a Chittagong Radio announcement as saying that the 1972 treaty of friendship between India and Bangladesh. A dispute over the island had been a factor in a recent worsening of relations between New Delhi and

Dacca.

Telephone and telex links between India and Bangladesh were cut off today and the Bangladesh Biman airline cancelled its morning flight from Dacca to Calcutta.

Indian intelligence sources in Calcutta said it seemed the army in Bangladesh was divided and that Chittagong was in the hands of the rebels.

The sources said they feared a civil war might break out in the country.

Bangladesh Army Chief of Staff Lt. Gen. M. Arshad asked Gen. Manzur to "surrender immediately" to the government, the radio said in a broadcast monitored in Calcutta.

Gen. Arshad said a "so-called revolutionary council" headed by Gen. Manzur had taken control of the Chittagong radio station, but maintained that other members of the country's armed forces were loyal to the government.

He called on all members of the

army not to be provoked by insinuations and to discharge their duties faithfully.

Vice-President Abdus Sattar took control of the government in Dacca and proclaimed an "internal emergency" which he said was necessary "as the security of the People's Republic of Bangladesh has been shaken by internal disturbances."

As acting president, Mr. Sattar also suspended all civil rights

and trust in Almighty Allah, democracy, nationalism and socialism.

President Zia and his supporters had shown concern at the return to Bangladesh earlier this month of Mrs. Hasina Wazed, daughter of assassinated president Mujibur Rahman and new leader of the opposition Awami League Party.

Mrs. Wazed, who had been living in exile in India for six years, received a tumultuous welcome from her supporters on returning to Dacca.

She demanded the trial of her father's assassins, many of whom had been sent on diplomatic assignments after Gen. Zia assumed power.

In New Delhi, Indian Prime Minister Indira Gandhi expressed shock over the assassination and described the late president as a man with statesmanlike vision.

In a message to Acting President Sattar, Mrs. Gandhi recalled pledges by both countries for closer friendship and mutual cooperation.



Gen. Ziaur Rahman

under 12 articles of the constitution, forbade people to seek redress through the courts and banned all meetings and public gatherings.

A curfew was declared in Dacca, and some reports said it had been extended to all major cities in Bangladesh. Army troops were reported in the streets of the capital, but there was no indication of any violence.

The assassinated president was born Jan. 19, 1936 in the northern city of Bugra in East Bengal, then part of British India. His father was a government scientific officer. Young Zia joined the Pakistan army in 1953 and was commissioned in 1955. Between 1959-64, he worked in army intelligence and distinguished himself in action during the 1965 Indo-Pakistan war as the only Bengali commander at the front.

He became an instructor at a military academy in West Pakistan before joining the Eighth East Bengal Regiment at Chittagong in 1970.

In the following year, when civil war erupted between West Pakistan troops and East Pakistanis who demanded greater autonomy, he quit his army job and joined the rebels. He made the historic broadcast declaring independence and commanded the first brigade of the new nation known as the "Fierce".

From that time onward, except for a five-day period in November 1975 when he was briefly arrested in a coup and freed by loyal soldiers in a counter coup, he emerged as one of the infant nation's most charismatic and powerful figures.

He lived simply with his wife Begum Khalida and their two young sons in a small hungalow instead of at the sprawling presidential palace occupied by his predecessors.

President Zia travelled frequently abroad and described his political ideas as "absolute faith

Peking offers Taipei peace gesture on Soong's death

PEKING, May 30 (R) — China, in a peace gesture to nationalist-ruled Taiwan, today invited friends and relatives in Taiwan of the late Honorary Chinese President Soong Chingling to attend her funeral in Peking at China's expense.

Special flights of Taiwan's China Airlines could land at Peking or Shanghai for the occasion, according to an announcement issued by the funeral committee for Madame Soong, the widow of Chinese nationalist leader Sun Yatzen.

The announcement, quoted by The New China News Agency, a day after Madame Soong died of leukaemia here at the age of 91, said "All of Comrade Soong Chingling's relatives and friends in Taiwan are welcomed to attend the memorial service," which is scheduled for next Wednesday.

"The funeral committee will bear all the expenses," the statement said.

Such a gesture by Peking had been widely expected following the death of Madame Soong, who was the only member of her famous nationalist family to throw in her lot with the Chinese com-

munists when they conquered the mainland in 1949.

After becoming critically ill in mid-May, Madame Soong was admitted in the Chinese Communist Party and appointed to the unique post of honorary president of China as a reward for the great service she did to the communists by backing them.

Madame Soong's sister is the widow of nationalist leader Chiang Kai-shek, whose son Chiang Chingkuo is the current Taiwanese president.

Madame Chiang, whose maiden name is Soong Meiling, lives near New York and thus technically is not eligible for the Chinese invitation which specified friends and relatives in Taiwan.

But western diplomats here said it would be a great propaganda coup for Peking if Madame Chiang and President Chiang Chingkuo, who is Chiang Kai-shek's son by a former marriage, came to China.

But they also noted that the nationalists have steadfastly rejected previous Chinese appeals for direct trade and communications links, refusing to have any dealings with the communists.

WORLD NEWS BRIEFS

Jordan's first judo tournament

AMMAN, May 30 (Petra) — His Royal Highness Crown Prince Hassan today delegated Minister of Culture and Youth Mr. Ma'n Abu Nowar to open the first official judo tournament in Jordan which was held at the University of Jordan campus. Thirty-two contestants of different weights competed in the events and the five winners received their prizes and trophies from Mr. Abu Nowar. The minister also presented four other trophies, which were gifts from Prince Hassan to the British supervisors who organised the events. The Jordanian Judo Federation announced after the tournament that the five winners will be sent to China for a one-month training period in preparation for the international judo tournament which will be held in Indonesia.

Protest against New Zealand

SYDNEY, May 30 (R) — Officials of the Kuwait and Chinese Football Association (F.A.) said in a weekly soccer newspaper here that New Zealand should be banned from the World Cup if South Africa's rugby union tour went ahead. The tour of New Zealand starting in July prompted the comments by Sheikh Al-Zayed Al-Ahmad of the Kuwait FA and Lo Bi-Tang of the Chinese FA in Sydney's "Soccer World." Al-Zayed Al-Ahmad was quoted as saying in Udailiya, Kuwait, his country would consider lodging a protest to FIFA, soccer's world governing body, if the South African tour went ahead, and that FIFA should bar New Zealand. Committee member Lo Bi-Tang is quoted as saying in Peking that China would be unlikely to compete against New Zealand if they maintained sporting contacts with South Africa, and if the rugby tour went ahead they should suspend New Zealand. The "Soccer World" story also makes the point that FIFA President Joao Havelange came into power with strong support of African and Asian nations and supports Third World countries on such political issues.

A day out on the Epsom downs

LONDON, May 30 (R) — Walter Swinburn, a fresh-faced 19-year-old, has a great chance next Wednesday of becoming one of the few teenagers to ride the winner of the Epsom Derby. Britain's most important horse race. Swinburn, who rode his first winner less than three years ago, is lucky enough to be on one of the hottest Derby favourites for years: the Aga Khan's Shergar. The colt won his two pre-classic races this season by 12 lengths and 10 lengths, showing form which leaves that of his rivals far behind. A tremendous responsibility rests on the rider of a Derby favourite, for the difference between victory and defeat can mean millions of dollars in the value of a horse for breeding purposes. But Swinburn, son of successful Irish-based jockey Wally Swinburn, is a rider to bear the burden lightly, despite his youth. During his short career he has demonstrated talent and coolness far beyond his years. Nevertheless, it will be a testing experience for the young rider when he goes to the post on teeming Epsom Downs in the 20th St Derby, a race which has become a British national festival. Up to half a million people are expected on the Downs for the annual Derby day outing, including about half the gypsy population of Britain. The wealthy and the not so well off, the old and the young, horse-racing buffs and those without an genuine interest all find an immense appeal in the unique carnival of Derby day. A giant fairground and sideshows of all sorts provide amusement for those to whom the racing is secondary. While racegoers in the grandstand regale themselves on smoked salmon, various fowls and champagne, stalls out on the downs do a roaring trade in jellied eels, the prime delicacy of the cockney (native Londoner). It is an unlikely background for a horse race of such serious import. In just over 2½ minutes of racing action on the horseshoe-shaped, twisting and undulating course, the destination of more than a quarter of a million sterling in prize money and many more times that amount in bets will be decided, and the value of the winning horse will be elevated to something up to five million sterling for breeding purposes. Derby day acquired its extraordinary atmosphere quite early in the history of the great classic race. As far back as 1829, the times newspaper said: "The whole world was at Epsom yesterday." American novelist Henry James marvelled at "the gross plebeian jollity" of the occasion, adding that the "finer vibrations" lay in having a bet on the race. About half the adult population of Britain feel finer vibrations on this annual occasion. The Derby is one of two races, the other being the Grand National steeplechase, on which everyone has the urge to place a wager. And during the running of the historic race the attention of millions is focused on the downs as they watch the race on television. The race is named after Edward Smith Stanley, 12th Earl of Derby, who won the toss of a coin with Sir Charles Bunbury to decide which of their names the new race should bear. It was just another loser for Sir Charles, whose love affair with racing led to his wife leaving him. The race was small beer at first. Diomed, the inaugural winner, was sold to the United States for £52.5, which would not buy a half from the tail of next Wednesday's victor. But soon Derby day was adopted as an annual day out by Londoners of all sorts and conditions and by early 19th century it had taken off. Even artists came under its spell, and Derby day scenes have been the inspiration for thousands of paintings. Nowadays the crowds may not be as mixed as they once were, when aristocrats rubbed shoulders with outcasts and rogues of all kinds seeking to prey on those simple enough to fall for their wiles. But it remains the world's most colourful racing occasion.

Wales and Russia drop a point each

WREXHAM, Wales, May 30 (R) — The Soviet Union held group leaders Wales to a goalless draw in a World Soccer Cup qualifying match today in which each team dropped its first point in the competition. The Welsh, who dominated the first half but later faded, have not conceded a goal in five group three matches. The qualifying places are being contested by the Welsh, the Russians and the Czechoslovaks, who remain a point ahead of the Soviet team but have played an extra game. The Russians squandered an early chance when David Kipiani shot high, and at the opposite end Terry Yorath, recalled from North American soccer, headed narrowly over the bar. Teammate Joey Jones put a header over goalkeeper Rinat Dasayev but on to the roof of the Soviet net. Defence in numbers carried the visitors through the first half but later they attacked with skill and variety. Wales lead group three with 9 points, followed by Czechoslovakia 6, Soviet Union 5, Iceland 2 and Turkey no points.

French Open briefs

PARIS, May 30 (A.P.) — Sweden's Bjorn Borg, seeking the men's title for the sixth straight time, qualified for the quarter finals by defeating Paul Antoine Torré of France 6-2, 6-1, 6-2 today at the French Open tennis tournament. Meanwhile, Chris Evert Lloyd favoured to retain the women's crown downed Eva Pfaff of Germany 6-3, 6-1 and moved into the last 16. Argentina's Guillermo Vilas, the No. 6 seed, demolished countryman Ricardo Cano 6-1, 6-1, 6-0, and 14-year-old Kathy Rinaldi upset No. 8 seed Dianne Fromholz 6-3, 7-5. The 24-year-old Australian left-hander was the first woman's seed to be eliminated. American Gene Mayer, the No. 4 seed, suffered a recurrence of a wrist injury and retired from his match with Victor Pecci of Paraguay. Pecci was leading 6-4, 2-1 and moved into the last 16. Jimmy Connors advanced to the third round of the men's competition yesterday against Francois Cauffolle of France who he encountered last year in one of the most astounding comebacks in the 90-year history of the clay court tournament. No. 3 seed John McEnroe of the United States turned back Chile's Jaime Fillol 6-3, 6-0, 6-1 yesterday, the first day without a rain interruption since the tournament began Monday.

WORLD NEWS BRIEFS

U.S. Air Force Titan officer charged

WASHINGTON, May 30 (A.P.) — A U.S. Air Force missile launch officer has been charged with "violating the Soviet embassy in Washington on more than one occasion" without telling his superiors, the Pentagon said yesterday. Second Lt. Christopher M. Cook, 25, Richmond, Virginia, is "in pre-trial confinement" at McConnell Air Force Base near Wichita, Kansas, the Pentagon said. Lt. Cook was described as a missile launch officer for the Titan, biggest of the U.S. inter-continental ballistic missiles. There are 17 such missiles at McConnell, where officials said Lt. Cook had been stationed since June of last year. Lt. Cook was charged with "violating air force regulations which require reporting all contacts with representatives of a communist country," the Pentagon said. The case has also been referred to the Justice Department for possible prosecution for other alleged offences.

12 rescued, 9 dead after 2 months at sea

HONOLULU, May 30 (A.P.) — Twelve people were rescued from a small, overcrowded cabin cruiser that had been drifting helplessly in the Pacific Ocean for more than two months, the coast guard said. Nine other people are believed to have died during the journey. The unnamed 6-metre vessel was on a short inter-island journey in the Gilbert Islands when it disappeared March 26, coast guard spokesman Keith Spangler said. The survivors were spotted by the helicopter of a large U.S. tuna fishing boat 1100 kilometres southeast of Guam, Mr. Spangler said. That would put the ship more than 2000 kilometres west of Tarawa, its original destination, he said. "They were just expecting a two-hour trip," Mr. Spangler said. "It was really tightly packed." He said officials learned of the deaths when the survivors were picked up yesterday afternoon. Many of the survivors were dehydrated, but there was no other word on their condition. He added it was not clear whether the nine dead people remained on the ship or had been hurled at sea.

Rhodesian colonel to head S.A. army

JOHANNESBURG, May 30 (A.P.) — The former commander of Rhodesia's elite anti-black nationalist guerrilla unit has been appointed acting commander of the army of the South African black homeland of the Transkei, the Rand Daily Mail reported. The Mail said Col. Ron Reid-Daly, who formerly headed Rhodesia's Selous Scouts, was not available for comment. But Transkei Prime Minister George Matanzima confirmed the appointment, the paper said.

Hanoi puppet or Kampuchea strongman?

PHNOM PENH: Pen Sovann, a shadowy veteran of revolution with solid pro-Vietnamese credentials, is expected to emerge as Kampuchea's strongman when the Phnom Penh regime unveils a new government set-up and a Communist Party over the next few months.

Government officials say Pen Sovann, 45, who took up arms at the age of 14 to fight the French colonialists, holds the key to power as head of the still-secret Communist Party. He is also widely believed to be the most likely candidate for the presidency of the state council, a new position which carries with it the command of the armed forces.

This triple role in the party, the military and state machinery would place Pen Sovann high above a motley leadership group which owes its position and power to Vietnamese forces which toppled the Pol Pot regime in early 1979.

This group includes pro-Hanoi communists like Pen Sovann — Pol Pot followers like Heng Samrin who defected not long before the Vietnamese invasion, and, at the lower levels, those who served in the U.S.-backed government of Lon Nol which fell to Pol Pot's army in 1975.

The few non-communists who have met Pen Sovann say he appears uncomfortable in dealing with foreigners but exhibits considerably more intelligence and

grasp of issues than Heng Samrin who has been generally described as "very unimpressive."

Western Indochina watchers also note that he is probably more trusted by the Vietnamese and less tainted by association with the Pol Pot than men like Heng Samrin who only defected to the anti-Pol Pot forces in May, 1978.

Although Pen Sovann has held power for 28 months and stood as a candidate in general elections held here May 1, the thin, bespectacled leader is little known among the general population and the regime has made no attempts to fill in the large gaps in his official biography.

Asked basic questions about Pen Sovann by reporters on election day, one voter apologised for his ignorance and another hurried over to consult an 11-line Pen Sovann life story displayed at all of Phnom Penh's polling booths.

The official biography says he was born in 1936 of poor peasants in the southeastern province of Takeo. "Ired by the revolutionary ideal" at age 14, he fought courageously in the southwestern region against the French, the bio-

graphy says.

Although the biography is almost silent about the 1954 to 1970 period, it is almost certain that Pen Sovann was among those Kampuchean selected to receive military and political training in communist North Vietnam. Like others in the current Phnom Penh regime, Pen Sovann is fluent in Vietnamese and is believed to have a Vietnamese wife, things cited by many Kampuchean, especially refugees, as proof that the Phnom Penh regime is Hanoi's "puppet."

The biography says only that he studied at a "higher military college," served as an assistant division commander in the war against U.S.-backed governments in Indochina and worked in Hanoi 1970-73 for the radio of the National United Front of Kampuchea, who fought against Lon Nol and included not only the Pol Pot side but onetime Kampuchean leader Prince Norodom Sihanouk.

Pol Pot's faction carried out ruthless purges of its own ranks even as the war against Lon Nol raged. Pen Sovann, according to the biography, split from Pol Pot in 1973 "to follow the true revolutionary road." In a 1979 speech Pen Sovann described Pol Pot's terror tactics in gruesome detail and said he personally had "suffered a lot."

On Jan. 8, 1979, a day after Vietnamese forces took Phnom Penh, Pen Sovann was elected vice-president of the People's Rev-

olutionary Council, charged with heading up national defence.

The council and the National United Front for the Salvation of Kampuchea is to be replaced within the next two months by National Assembly, a Council of State and a Council of Ministers. A constitution to be adopted by the assembly spells out that the Communist Party, as in other communist countries, will be the main

political force.

The Phnom Penh regime hopes to both consolidate its power internally and to legitimise itself before an international community which still recognises the Pol Pot regime in the United Nations.

Also expected to rise in the power hierarchy are others in the current government with long-standing ties with the Vietnamese. These include Bou Thang, who

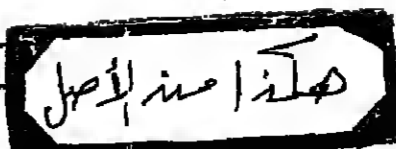
has been in charge of political education, Say Phou Thang, president of the central organising committee and possibly a key go-between for Vietnamese advisors and Yos Por, the secretary-general of the National United Front.

ASSOCIATED PRESS



Will a change of leadership benefit Kampuchea? (Gamma photo)

سکتا سے ای حال



...TOWARDS A BRIGHTER FUTURE!

By Jenab Tutunji
Special to the Jordan Times

IAN, April— Jordan can forward to the development of money and capital market instruments the emergence of secondary markets greater specialisation division of labour in financial intermediation over next few years, Central officials and banking officials agree.

indicated loans, introduced a local market three years had reached a total volume 43 million by the end of The Jordan Bank's Association expects the volume of cations to average JD million a year during the 1985 plan, reducing the nt of foreign borrowing, if financing it. The plan envis JD 880 million in soft loans over the coming five

Central Bank Governor Mohad Sa'id Nabulsi notes that dollar loans peaked in than declined, thanks to syndications and bonds floated by public corporations on the Jordanian t. Such bonds had a ned value of JD 20 million en 1976 and 1980.

rate corporate bonds are er recent introduction. Central Bank would like to onger-term private end corporate bonds on the market. So far they have issued for the medium five to eight years at 6.5 nt interest in the case of corporations). Synd loans have a life ran- between seven and eleven at nine to ten per cent ins-

Central Bank will promote long-term finance, maturity dates stretching -15 years, and more ins- nal diversification, Mr. san Ephram, of the Central told the Jordan Times. Christopher Coleman, ls with Samuel Montagu o. Ltd., a shareholder in Jordan Securities Cor-

poration, (JSC), is on loan as an advisor to JSC. He noted that bonds issued in Jordan have a fixed interest rate, "although we incorporate a clause saying that if the Central Bank changes interest rates we shall have the option to change coupon rates. But this is not satisfactory to us, the subscriber or the issuer."

The problem is that bonds with a fixed interest rate become unattractive if potential subscribers expect high inflation or a rise in commercial lending rates. The majority of bonds issued throughout the world today now have floating rates, pegged to the LIBOR (the London inter-bank offered rate) for instance, and are allowed to fluctuate every six months, Mr. Coleman said.

The absence of a semi-formalised inter-bank market which will allow a six-month rate to be fixed is an obstacle, he remarks.

It is not that banks don't borrow from each other; but this is done on the basis of personal contacts between bank managers. There is substantial inter-bank trading, but it is still on an ad hoc basis. There is no regular market, there is no supply and demand movement every hour or every day, although dealings in one month are not negligible, Dr. Nabulsi notes. There is an upcoming role for finance companies to shape up an inter-bank market, he adds.

"I don't see any reason why interest on bonds and syndicated loans can't fluctuate, on a periodic basis if indexed to an inter-bank rate," Dr. Nabulsi says.

"So far we have not issued anything in the way of regular syndicated loans and coupons; we have not issued enough to form a market," the governor adds. "Sophistication is a matter of time, perhaps it will come within the next two years."

The authorities will encourage commercial banks to issue short and medium term certificates of deposit, the Central Bank says. Certificates of Deposit (CDS) were first introduced by Citibank, but did

not catch on until the Central Bank lowered the legal reserve rates on C.D.s to 8 per cent. The Association of Banks in Jordan (ABJ) remarks in a paper on the role of banks in the 1981-85 development plan that if CDS were to come to constitute a significant item in the portfolios of commercial banks, then they could afford to engage in long-term lending which they cannot do now because of the risk element in the absence of a regular inter-bank market.

A new financial instrument which may be introduced in coming years is financial paper, according to the Central Bank and the framework of the new plan. Commercial paper will allow corporations with a strong financial position to borrow from each other without resorting to commercial banks. They are commercial bills rather like bills of exchange or informal, short-term negotiable bonds which can be issued and traded with the intermediation of investment banks.

Jordan is clearly headed towards more sophisticated use of money and capital market instruments, although one banker noted that perhaps commercial paper should not be introduced until we could make better use of the existing instruments.

On the capital market side of things, the emergence of a wider spectrum of instruments attractive to investors and borrowers will be encouraged.

Amman Financial Market, which is trading only in equities and government bonds, will start dealing in corporate bonds as well. On the money market side, the Central Bank would like shorter term paper, such as CDs and commercial bills under one year to be traded on the exchange, investment companies should intermediate more between banks and financial institutions, the authorities think.

The Central Bank would also like to issue government bonds at two different interest rates, with the higher rate being paid by those that are not redeemable by the bank and have to be traded on the stock exc-

change.

The development of financial instruments and intermediaries will introduce much needed sophistication to the stock exchange. An increase in the volume and diversification of financial paper is needed to absorb liquidity flowing into the country because of transfers from abroad such as remittances by Jordanian working outside, which came to perhaps JD 300 million last year, - otherwise we will be faced with classic case of too much money chasing too few goods - and to satisfy the financing requirements of emergent corporations.

The increasing sophistication will allow the Central Bank to intervene on the stock exchange to either absorb liquidity or to pump it in. If the market acquires a large portfolio of government debt, then the Central Bank could affect the interest structure by manipulating the interest rate on such debt.

To further involve the public in productive investment, the authorities are contemplating the provision of margin finance by banks through brokers to individual investors. This is already being done in a small way. In addition, the standard and requirements of financial disclosure will have to be strengthened to give investors a more adequate idea of what they are putting their money into.

In addition to promoting the role of investment banks, the government will encourage contractual savings institutions such as the Pension Fund, the Social Security Corporation, the Post Office Savings Fund and insurance companies.

The Social Security Corporation manages and invests funds deducted from the salaries of employees of the larger private sector firms (5 per cent from the employees and eight to ten per cent from the employers). The framework for the new plan predicts that the corporation's investments during the 1981-85 plan period will amount to JD 200 million.

The Pension Fund, which invests funds allocated for retirement benefits deducted from the salaries of government and army personnel, had investments totalling JD 34 million at the end of 1980. The fund is in fact turning into a holding company, and it is proposed in the new five-year plan that the Pension Fund be allowed to issue bonds which will be convertible into the shares of companies to be established later which will engage in productive ventures. It is recommended that company law, and the charter of the Pension Fund be amended to allow for this and to permit the fund to act as a proper investment company.

These measures to strengthen the capital and money markets will, to some extent, result in the transfer of financing activities from one type of institution to another, but "on balance and over a period of years, each class of financial institution should have continued growth and profitability as the overall size of the system grows," according to the Central Bank of Jordan (CBJ).

The mix of business for commercial banks will change. "For example, the development of a commercial paper market and a corporate bond market can be expected to reduce commercial banks' direct lending opportunities with the larger and more credit-worthy corporations. However, this business should be more than replaced by an additional volume of business with medium and smaller size enterprises which are not suitable for securities market financing, but which will emerge at an increasing rate as secondary industry expands in importance," the CBJ says.

The composition of the assets and liabilities of commercial banks is also expected to change, as they come to hold more certificates of deposit and their participation in syndicated loans increases. "The most important development in banking, perhaps, will be the active participation of commercial banks in the money market,

especially with the emergence of money market intermediaries which borrow from commercial banks to finance their holdings of money market assets," the Central Bank says.

The authorities would like to see a stronger market for inter-bank deposits. The banks' association has proposed to the Central Bank that inter-bank deposits be treated as regular deposits in calculating the legal reserve requirement rather than as liabilities on both depositing and accepting banks.

The association expects savings by the public to grow. It predicts that longer term deposits (time and savings) will climb to 75 per cent of the money supply (M2) in 1985 as against 63.8 per cent in mid-1980.

On the basis of data up to mid-1980, the association projects that commercial bank deposits (excluding foreign currency deposits) will reach JD 1,343 million by the end of 1985 and outstanding credit will amount to JD 1173.6 million, giving a credits to deposits ratio of between 86.8 per cent and 87.4 per cent.

It points out that commercial banks could finance long-term agricultural and industrial credit by lending to specialised credit institutions if the government is willing to guarantee such loans.

One development that will help reduce outlays for new projects is a plan that is under way to establish a leasing company for the first time in Jordan, dealing in construction machinery and computers. The prime mover behind the idea is Petra Bank's chairman Ahmad Shalabi.

The association also wants interest earned on bonds purchased by commercial bank to be tax exempted, the Central Bank advocates legal "encouragement to public shareholding companies, as well as to money and capital market instruments, specially long-term corporate bonds."

The new plan framework further recommends the use of

monetary policy, such as interest rates and legal reserve requirements, to promote long term deposits and dealing with financial securities.

The document notes that the effectiveness of specialised credit institutions is still limited. Dr. Ziad Fariz, head of the research department at the Central Bank, says that although credit extended by such institutions (excluding the Housing Bank) rose from JD 25 million in 1975 to JD 57 million in 1980, planners are faced with the problem of how to channel funds towards specialised credit institutions so that they can increase their credit facilities to the productive and socially accepted sectors, such as agriculture, industry, housing and municipal projects.

Although such institutions get their funds from the government or through soft loans, and extend credit at rates lower than commercial banks (ranging between 4.5 and eight per cent in 1980), he suggests that they attract some of the funds that would normally go to commercial banks by accepting deposits, as their low elows, and increasing their interest rates.

Their present low lending rates would depress any interest they could pay on deposits, so they cannot provide incentives for people to place their deposits with them. Their interest rates would have to go up, and brought much closer to those of commercial banks, to create such incentives. This tactic was used quite successfully by the Housing Bank.

This, on the face of it, goes against the stated rationale for the creation of specialised credit institutions. Nevertheless, the choice is between leaving these institutions with a limited or symbolic role or stimulating them towards a more active role and getting them to find investment channels for their new resources.

Bringing the interest rate structure of specialised credit institutions into line with that of commercial banks would also allow them to borrow on the

inter-bank market, and reduce fragmentation in the banking sector. If the cost of capital is similar, the movement of capital throughout the banking system will be much easier.

One argument against this is that the productive sectors and municipalities need cheap credit. Nevertheless, their contribution could be to increase the liquidity they make available rather than to reduce the cost of capital. It would be a trade-off between the specialised credit institutions remaining relatively idle or making more efficient use of their capital.

True, Dr. Fariz admits, demand on such institutions may not be so great, but what about potential demand? The new plan recommends a more aggressive policy on the part of these institutions in looking for projects to finance, helping them get off the ground and increasing their productivity.

Dr. Fariz argues that if we want to help socially acceptable projects, fiscal policy, such as tax exemption, is a better policy than the prevailing one. This would be more coherent with the general economic policy of the country, he adds.

The plan framework suggests that the capital of the Industrial Development Bank be increased, that commercial banks be given incentives to lend to specialised credit institutions, that the Cities and Villages Development Bank be amended to allow it to participate in the capital of productive municipal projects and utilities and that the Housing Bank extend greater credit at preferential rates to low income housing.

Other proposals for the banking system in the five-year plan framework are to encourage savings by smaller investors, establish an Institute that will guarantee deposits below JD 10,000 and guarantee small agricultural, industrial, municipal end construction loans, encourage banks to open branches outside the capital end to establish branches abroad to channel funds from Jordanians working abroad into investment projects in Jordan.

"In the Name of God, Most
Compassionate, Most Merciful"



JORDAN ISLAMIC BANK for Finance and Investment

Jordan Islamic Bank will be pleased to render all banking transactions to all customers who wish to deal in harmony with Islamic Shariat.

Our ultimate objective is to render all banking services and all financial investments in compliance with Islamic legislation, refraining from paying or receiving interest whatsoever.

Jordan Islamic Bank is operating through four branches.

Jordan Islamic Bank has achieved good results during its short business activities which started in 1979.

We append below some figures denoting its steady progress, as at 31st, Dec., 1980:-

	JD
Registered Capital	4,000,000
Paid-up capital	2,000,000
Total Balance Sheet	15,465,575
Deposits	11,652,104
Investments	6,746,021
Cash and Banks	6,586,194
Documentary Credits	1,878,642
Guarantees	1,211,828

Head Office

Shmeisani, opposite to Ministry of Justice
P.O. Box: 926225 Amman - Jordan
Telex: 21125 (ISLAMI JO)
Cable: ISLAMBANF

Amman Branch

King Faisal Street,
P.O. Box: 7987 Amman
Telex: 21032 (ISLAMI JO)

Zerqa Branch

Bab El Wad Street,
P.O. Box: 1937
Zerqa

Al-Hussain Branch (Amman)

Jabal Al-Hussain, Al Shibli Bldg.
Fhalid Ben Al-Walid Street,
P.O. Box: 926943, Amman
Telex 22265 Islami Jo

Wahdat Branch (Amman)

Madaba Str. Wahdat, Amman
P.O. Box: 16165
Amman
Telex 22192 Islam W

BANK ALMASHREK S.A.L

BRANCHES:

LEBANON:

HEAD OFFICE

(9 Branches)
52 Riad Solh Street
P.O. Box 1524
Telex: 20648 LE & 21605 LE
Beirut - LEBANON

JORDAN:

AMMAN

MAIN OFFICE

King Hussein Street
Tel. 24161/2/3
Telex: 21120 & 21318 JO
P.O. Box 1226

JABAL AMMAN BRANCH

Jordan Insurance Bldg.,
Third Circle
Tel. 42283/4

PETRA STREET BRANCH

Petra Street
Tel. 24265/24281

QATAR: DOHA

P.O. Box 388
Tel. 23981
Telex: 4257

We are an Affiliate of Morgan
Guaranty Trust Company of
New York

BANKING SUPPLEMENT

It is proposed to consolidate and better regulate the services provided by money changers through gradually transforming them all into private or public shareholding companies and getting them to apply more adequate publicity procedures. The law governing the activities of insurance companies is to be updated and the establishment of reinsurance companies to be encouraged. Insurance companies will be given incentives to increase their capital, and branches or representative offices of foreign firms may be required to bring a minimum amount of their capital into Jordan. The Central Bank's data collection from insurance companies is to be improved as well.

The framework for the new five-year plan recommends that the interest rate structure be made more flexible and allowed to evolve gradually, and that interest rates be allowed greater manoeuvrability so as to promote savings and enhance monetary stability.

The Central Bank is the only authority that can fix lending or borrowing interest rates. Fairly recently it won the right to break out of the confines of anti-usury laws dating to the Ottoman period, and effectively allowed banks to raise their lending rates above the 9 per cent ceiling by permitting them to charge commissions.

There is a one per cent margin between the prime lending rate of 8 per cent and the 9 per cent ceiling on interest proper. Commissions can take this up another one to one and three quarters per cent for Jordanian borrowers or up to two per cent for non-Jordanians.

"We have calculated a reasonable spread" to cover cost, expenses and risk, Dr. Nabulsi says. "Two per cent is very reasonable in my opinion, and our bankers are getting between two and two and three quarters per cent."

At present the term structure of deposit rates in commercial banks is two per cent on demand deposits, 5.5 per cent on savings accounts and 6.4 per



Dr. Mohammad Said Nabulsi

cent on time deposits. But these are floors rather than ceilings. Dr. Khalil Salem, chairman and chief executive of the Arab Finance Corporation (Jordan), says his company pays 7.5 per cent interest on six-month deposits, more for a year, if they can get them. Commercial banks are said to pay as much for substantial deposits.

Of course, investment companies have the advantage that their reserve requirements are lower than commercial banks, and they do not have to satisfy their legal reserve requirement of 5 per cent until their deposits reach JD 5 million. Dr. Salem wants the reserve requirement for investment companies waved altogether. Such requirements increase the effective cost of funds.

The legal reserve requirement for commercial banks was made 11 per cent on savings and time deposits and 14 per cent on demand deposits as of October 21, 1980, down two per cent on each type of deposit as compared to 1979 and one per cent down compared to 1975.

The Central Bank governor argues that interest rates are

effectively regulated one way only: there is a floor but no ceiling, he says.

"We put a floor and a margin for banks in credit operations," Dr. Nabulsi says. "But they can exceed the margin, they always have in one way or another, we never intervened." There is some freedom for banks to charge more, and they have been doing it.

"The interest rate structure in this area tended to push downwards," he says. "We had to push up what banks pay depositors."

One can get negative interest rates with inflation. It didn't matter so much in the 1950s and the sixties, "but inflation, specially in the seventies, exposes the low level of interest rates."

"Our policy is to raise the general level of interest rates; we push upwards, not downwards," Dr. Nabulsi says.

Should the Central Bank free interest rates to market levels? Some bankers argue that inflation has been running at over 11 per cent a year, and that depositors were therefore penalised. Low interest rates can also drive funds out of the coun-

try, creating a liquidity crisis. The flow into dollars, with its high interest rates, can dry up the dinar market and the interbank market, which is every banker's nightmare. Totally free interest rates would combat the flight of funds.

In more developed economies, if commercial bank rates are low, there are a number of intermediaries who will move in and attract funds to a number of local avenues for investment, such as equities, bonds, participation in new ventures, real estate development, etc., which will keep the money in the country. But Jordan does not have a large number of intermediaries who can compete with the banking system.

Nevertheless, the flow of funds into Jordan is much greater than the outflow. The Central Bank is also very responsive to the problems of the banking system; it furthermore acts as a lender of last resort, although many banks shy from resorting to the Central Bank. Banks also have much leeway because of Central Bank facilities, including treasury bills and gov-

ernment bonds, in the event that liquidity dries up. No one is worried on this score. Because of the low interest rate on the dinar as compared to other currencies, local companies with strong financial backers abroad cannot draw on the resources of such backers to invest in Jordan. Furthermore, one investment banker notes: "We do not profit very much from deposits in foreign exchange, because we accept them at current rates abroad. If I were to give a depositor 13.5 per cent, I could not afford to lend at nine to 11 per cent on the local market. So foreign exchange deposits cannot be used except to boost the image of our firm abroad."

Dr. Salem, who is a former

governor of the Central Bank, says: "The interest rate structure is developing towards a natural level. It is not easy to isolate Jordan from international money markets, nor is it a simple task to defend your interest rates forever. But I prefer to keep interest as steady as possible. The moment we increase interest rates, we will undermine the prices of securities which were issued under lower interest rates. Our investors are not used to such losses in their capital outlays."

"Nor are we sophisticated enough to use interest rates as an instrument of monetary policy."

The Central Bank does not manipulate interest rates on a

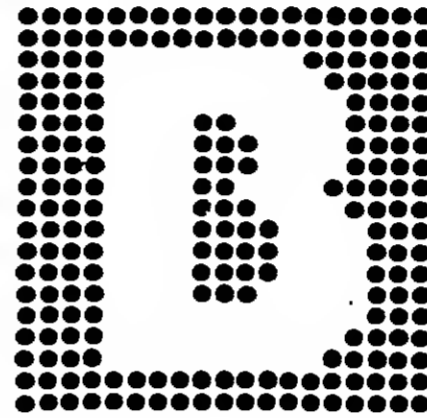
day-to-day or weekly basis, but on a long-term trend basis. Nor does Jordan yet have the size of open market operations, credit squeeze or encouragement measures or the degree of control over government deficit financing to pump liquidity into the market or absorb it. It is also difficult to control both supply and demand sides of the equation, as Jordan relies so heavily on imports to meet demand.

"If interest rates were to increase by, say, one per cent, that would not promote savings because of inflation. Even if you were to tell entrepreneurs that they have to borrow at 13 per cent instead of 11 per cent, that would not discourage them."

Mr. Salim Raza, general man-

ager of Citibank, says the Jordanian dinar is a pre-currency, it depreciates vertiginously, "so you would expect to have a lower interest rate opposed to the dollar, which fluctuates so rapidly interest earnings could be eroded by the time they are collected. The Jordanian rate should be at a lower interest rate because that is the way international markets work."

The solution seems to be to allow interest rates to evolve gradually over the coming years, under the control of the Central Bank. One estimate is that if interest rates were allowed to fluctuate freely, lending rates would stabilise around 12.5 per cent.



THE FRENCH BANKING GROUP LOCATED IN 75 COUNTRIES HAS NOW OPENED A REPRESENTATIVE OFFICE IN AMMAN

BNP

1980 - Total Balance Sheet FRF 488, 629, 517, 494

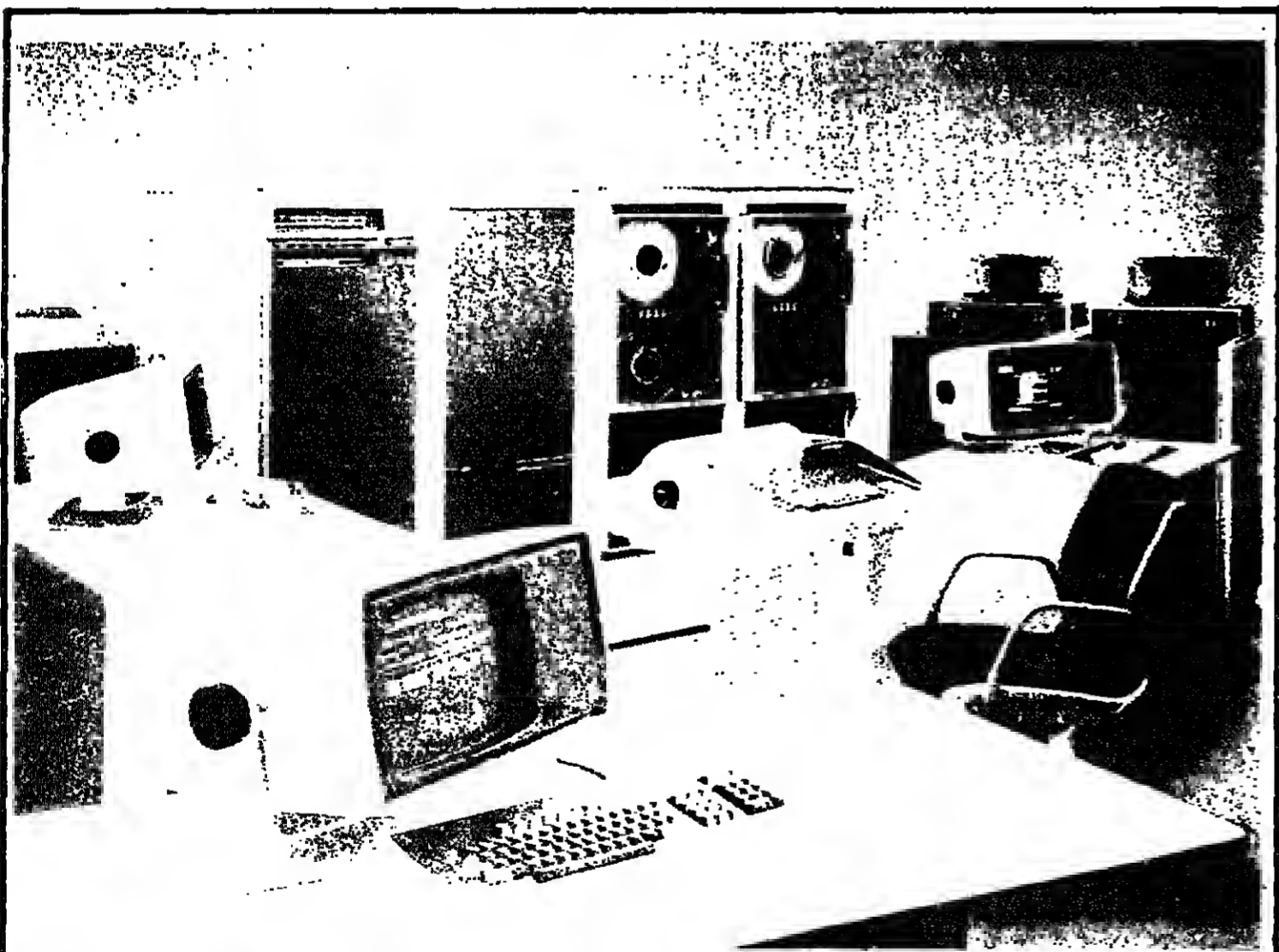
Issued Capital FRF 1,632,580,000



BANQUE NATIONALE DE PARIS

3rd Circle, Prince Mohammad St. 6th Floor, Anani Bldg.

Tel. 43932 Telex 22104 NATPARJO, P.O. Box 926884 Amman, Jordan.



When your business expands and your computer can't where does that leave you?

It leaves you with some expensive equipment you can't use. It'll also leave you a little wiser. Data General computers are designed to be completely flexible, which means they can be expanded in several directions at any time: The hardware. The software. And the peripherals. Data General go from U.S. \$10,000 Microprocessor to a U.S. \$1,000,000 multiprogramming network. Whenever you're ready. Because when you grow, Data General computer systems can grow with you. This way, what you're left holding on to is your original investment.

Data General knows about fast growing business. It started ten years ago and is now one of the fastest growing computer companies in the world. With over 90000 systems in 60 countries Data General are third largest in systems shipped.

If you think of a computer system that can grow with your firm, one that offers the best price/performance ratio, then Call: 44801 - 43801 or write to: P.O. Box 927060 Amman. You don't just buy a computer system, you buy a whole computer company.

JORDAN DATA SYSTEMS
Data General



CAIRO AMMAN BANK (CAB)

Cairo Amman Bank, a Jordanian Public Share-holding Co., was established in Jordan on July 1, 1960, to takeover the Amman branch of Banque du Caire S.A.E. Cairo.

Head quarters : Amman
Principal activity : Commercial Bank
Directorate : Jawdat Sha'sha'a
M.G. Contacts : Ishak Abu Khadra
Usama Asfour
Chairman and General Manager
Deputy General Manager
Assistant General Manager

Financial Information as at December 1980
: Capital JD 2.5 million
: Reserves and Retained Profit JD 2.4 million
: No. of shares 500,000
: Total Assets JD 77 million
: Dividends % over 1978/1979/1980 12% / 15% / 15% respectively

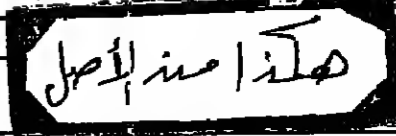
Principal Shareholders
: Jordan Civil Service Fund
Yarmouk University Investment Fund
Banque du Caire SAE, Cairo

Branches
: Main Branch, Station Road, Jebel Amman, Jordan University, Jebel Weibdeh, Jebel Hussein, Wihdat, Quaismeh, Maadi, Zerqa, and Irbid.

Sub-Branches
: Yarmouk University, Jordan Interconti. Hotel, Jordan University Hospital.

Branches under establishment
: Wadi Seer, Irbid Industrial City.

Handwritten signature or note.



CAPSULE PROFILES OF BANKS IN JORDAN

ARAB BANK LTD.

The Arab Bank Limited was founded on the 21st May, 1930, in Jerusalem by Mr. Abdul Majeed Shoman. And it became a Jordanian bank on the 1st July, 1964. Mr. Shoman's untiring efforts — in spite of a two devastating regional disturbances (1948 & 1967) which saw Palestinian territories pass under Israeli control — have brought the Bank in the forefront of international banks. Today the Arab Bank has branches in Jordan, Bahrain, Egypt, Lebanon, Oman, Qatar, Tunisia, the United Arab Emirates, North Yemen, France, Great Britain and Greece. The stability in the Arab World prompted the Bank to set up subsidiaries and affiliates, primarily in Europe and Africa. It also participated in syndicated loans in foreign currencies. At the end of 1979 its assets totalled the equivalent of 63 million. In seven years (1972-79) the balance sheet total grew 9.2 per cent — (from JD 213,061,000 in 1972 to JD 1,958,588,000 in 1979). The balance sheet of 1979 shows a paid up capital of 2,201,844,273 — a rise of 11.2% from the previous year.

Abdul Majeed Hamaad Shoman is chairman of the bank.

RAB LAND BANK

Rab Land Bank was established in 1947 with its head office in Cairo's Abdel Khaliq arwat Street. Its regional office in Amman is located at the third circle of Jabal Amman. It has 7 branches in Jordan: Amman, Jebel Amman, Marka, Irbid, Mafraq and Rusfa. In 1979, the Bank had the paid-up capital of (Egyptian pounds) EL 5,000,000 and the reserves of EL 1,747,680. Mr. Ahmad Amin Ali is its President and Mr. Taha J'afar is its General Manager.

ARAB JORDAN INVESTMENT BANK

The idea of establishing an investment bank in Jordan for the first time, was launched in 1976 by Mr. Abdul Kader Oadi, present chairman and general manager of Arab Jordan Investment Bank. His aim was to integrate Jordan with Arab International capital markets through the establishment of a merchant bank capable of introducing this kind of banking in Jordan. Mr. Oadi was able to win the support of leading Arab Banks, Governmental bodies and financial institutions — who were finally convinced of his idea and decided to be among the main founders of the Bank. Oadi National Bank, Abu Dhabi Investment Authority, Arab Investment Co., of Riyadh, Arab Libyan Foreign Bank, National Commercial Bank of Saudi Arabia, The Pension Fund of Jordan, The Housing Bank of Jordan, The Arab Bank Limited of Jordan, Bank of Jordan, Petra Bank of Jordan, The Jordan National Bank and the Jordan Insurance Co., are the Bank's founder members. The Bank commenced business on the 1st November, 1978, with a paid-up capital of five million Jordan Dinars.

Its first financial year ended on 31st December, 1979 with total assets of over JD 42 million and JD 539,837 net profits. At the end of its second financial year total assets were over JD 50 million and net profits for the year amounted to JD 778,290. During this short period of its life, AJIB concentrated its activities on money market operations at both the local and international level. Special emphasis was also put on offshore banking, which, as originally envisaged, helped the further linking of Jordan with other Arab and international financial markets. In the process of promoting and developing capital instruments in Jordan, AJIB cooperated with other two merchant banking institutions

in Jordan, viz. Arab Finance Corp. (Jordan) and Jordan Securities Company (both licensed for merchant banking business subsequent to AJIB) in the underwriting business of Bonds and Equities, which had not existed in Jordan before these institutions were established. Mr. Abdul Kadar Oadi, Chairman of AJIB had his M.A. in Economics from University of Oregon, U.S.A. in 1959. He is presently the Director of Financial Affairs to the State of Qatar, Chairman of another investment company in Switzerland, and member of the Board of Directors of the Housing Bank and other various international Banks operating in the Gulf and Europe.



Charles J. Gress
BANK ALMASHREK

Bank Almashrek was established in 1972 with its branches in Lebanon, Jordan and Qatar. It has three branches in Amman. Total branches in Lebanon are nine and one branch in Doha, Qatar. Bank Almashrek is affiliated to Morgan Guaranty Trust Co. of New York, New York. The management of the Bank is also run by the same Trust Co. of New York — which is one of the world's largest banks and has branches all over the world. The registered paid-up capital with reserves of Bank Almashrek in 1980 was JD 1.4 million.

Mr. Charles J. Gress is the regional manager of the Bank in Amman, Jordan.

BANK OF CREDIT & COMMERCE INTERNATIONAL

The Bank of Credit & Commerce International was launched internationally in 1972 from a small pad — Luxembourg and since then it has been soaring up and up. This fact has certainly helped its growth in 46 countries of this globe.

BCC was founded with earnest belief that the business community needs a communication system to help solve its financial problems — a system which never breaks down and is humanly computerised. And this principle has been meticulously maintained by BCC at all its 199 branches all over the world — out of which 99 branches alone are in the Arab World.

BCC was established in Jordan in June, 1975, and has now three branches in Amman. The end of 1980 saw the capital fund swelling to U.S. \$293 million and the assets to U.S. \$5.3 billion at BCC.

Mr. Agha Hassan Abedi, a banker of international repute, is its President and Mr. Fakhri Bilbeisi is its regional manager in Amman.

BANK OF JORDAN LTD.

Bank of Jordan Ltd. was established in 1960 with only one branch in Amman and with a paid-up capital of JD 250,000.

With the economic growth and progress of the country — the Bank has grown too. Today the Bank has 18 branches in Jordan. Seven of them are in Amman and two are in Irbid — and one branch each at Kark, Ma'an, Ramtha, Madaba, Jer-

ash, Aqeba, Ajloun, Wadi Seer, Salt and Sewelleh. The three branches in the West Bank are temporarily closed. The balance Sheet of the Bank in 1980 shows Total Assets of JD 52,768,605.

Mr. Husni Sido Al Kurdi is chairman and general manager of the Bank.



A.D.E. Dawson

THE BRITISH BANK OF THE MIDDLE EAST

A Member of THE HONGKONG BANKING GROUP

The Hong Kong and Shanghai Banking Corporation's principal commercial banking subsidiary companies are The British Bank of the Middle East and Mercantile Bank Limited (both of which are wholly owned subsidiaries, incorporated in the United Kingdom). Hang Seng Bank Limited (in which HSBC has a 61% interest) and Marine Midland Bank, Inc (in which HSBC has a 51% interest).

The Hong Kong Bank Group, which has a Capital of Sterling pounds 2,152 million is easily the biggest bank in the world in terms of market capitalisation. The Group operates through more than 800 offices in over 45 countries. Its areas of particular strength are The Middle East Asia and North America.

The history of the British Bank of The Middle East (BBME) extends over a period of 92 years.

In 1889 a concession was granted to found and maintain a state bank in the Persian Empire under the name of the Imperial Bank of Persia. It expanded rapidly and followed up its success in Persia with the opening of branches at Bombay and Calcutta in India, and at Basra and Baghdad in Iraq. In 1949 the Iranian Government introduced regulations which eventually led to the complete withdrawal of all its banking operations in that country by 1952.

The restrictions in Iran coincided with a rapid expansion of its branch network, and between 1942 and 1952 offices were opened in Amman, Kuwait, Bahrain, Dubai, Muscat, Beirut, Jeddah, Tripoli (Libya) and Aden. After discontinuing operations in Iran a new charter was granted by Queen Elizabeth II in 1952 with the banks title becoming The British Bank of The Middle East.

CONTROLLED EXPANSION

A further period of consolidation and controlled expansion ensued during the 1950's and branches were opened in Sharjah, Qatar, Tunisia and Abu Dhabi. By 1959 conditions were sufficiently changed for the Bank to be able to return to Iran, through a 49% owned associate, the Bank of Iran and the Middle East. In 1959, an arrangement was concluded with The Hong Kong And Shanghai Banking Corporation (HSBC), whereby the latter purchased all the shares of BBME and The Hong Kong bank now owns 100% of the equity.

The banks in Iraq, Adan and Libya were nationalised. The Kuwait Government formed a new bank entitled the Bank of

Kuwait and The Middle East, which took over the BBME business in 1971. Under similar conditions the bank transferred its business in Tunisia to a new bank entitled Banque Internationale Arabe de Tunisie to whom BBME holds a 15% equity share. Similarly in 1974 the bank disposed of its interest in Morocco.

As a result of this process of nationalisation the bank purchased 100% of the equity of the Trust Bank of Lebanon subsequently renamed The British Bank of The Lebanon in 1971. In Cyprus BBME acquired 20% of the equity of the Cyprus Popular Bank.

These two further ventures serve to emphasise the increasing diversity of the BBME into related business. The first, The Middle East Finance Co. Ltd., Dubai-dealing in hire-purchase has helped to meet the demand for financing consumer durables, and the second, Wardley Middle East, also in Dubai, has provided a much needed merchant banking arm.

In Saudi Arabia the process of Saudisation of the BBME reached its completion in 1978 the three BBME branches were incorporated into The Saudi British Bank. The new Bank has a capital of SR 300 million of which 40% is held by BBME. The Saudi British Bank now has eleven branches and continues to expand rapidly.

Conditions in the changing and developing areas in which the bank has operated and still operates have called for policies of flexibility and adaptability. Such policies have enabled the bank to serve its customers well ever since 1889 and should enable it to do so in the future too.

OPERATIONS IN JORDAN

BBME opened its first branch in Amman in 1949 and have since opened three other branches in

the capital: Jabal Hussein 1970, Mahatta 1974 and Abdali 1975 and one in Jerusalem in 1954.

Recently the bank has been updating its office in King Hussein Street and a new Management Office for the Jordan Area is being opened in Shmeisen.

In early 1982 an IBM on-line computer system is scheduled to be installed in the King Hussein Street Branch connecting all the branches in the capital. It is expected that the introduction of the computer will enable BBME to provide its customers with the best possible service.



Jawadat Sha'sha'a

CAIRO AMMAN BANK

Cairo Amman Bank (CAB) was established in Jordan on July 1, 1960, to take over the Amman branch of the Banque du Caire SAE, Cairo.

Today CAB has six branches in Amman at Station Road, Jebel Amman, Jordan University, Jebel Hussein, Wihdat and Owaismeih. And a branch each at Maadi, Jordan Valley, Zerqa, Irbid and sub-branches at Yarmouk University and at Jordan Intercinental Hotel. The branches in Irbid's Industrial city and Wadi Ser, Amman, are under establishment. The five branches at Jerusalem, Nablus, Ram-



ARAB BANK LIMITED



BALANCE SHEET AS AT 31st DECEMBER, 1980

ASSETS	1980	1979	LIABILITIES	1980	1979
	JD	JD		JD	JD
Cash in hand & at banks	941,097,311	679,188,352	Deposits & other accounts	1,413,278,339	1,187,965,780
Items in transit	4,892,000	—	Items in transit	—	2,169,846
Bonds (government & other)	80,107,832	79,538,591	Capital authorized & fully paid (JD 10 per share)	11,000,000	11,000,000
Investments (including subsidiaries)	15,936,542	8,952,435	Statutory reserve	11,000,000	10,000,000
Bills discounted	42,642,357	54,935,893	General reserve	26,000,000	21,000,000
Loans to customers	394,446,228	419,086,708	Voluntary reserve	16,000,000	13,000,000
Bank premises (less depreciation)	5,832,358	6,910,678	Undivided profit	8,296,990	6,025,615
Furniture & equipment (less depreciation)	1,492,267	1,376,132	Net profit (for distribution)	3,854,500	3,312,750
Other assets	2,992,934	4,485,204	Total Liabilities	1,489,439,829	1,254,473,991
Total Assets	1,489,439,829	1,254,473,991	Guarantees, credits & acceptances (per contra)	712,404,444	704,094,856
Customers' liability on guarantees, credits & acceptances (per contra)	712,404,444	704,094,856	Balance Sheet Total	2,201,844,273	1,958,568,847

ABDUL MAJEED ABDUL HAMEED SHOMAN
CHAIRMAN, BOARD OF DIRECTORS

KHALID ABDUL HAMEED SHOMAN
DEPUTY CHAIRMAN

Jordan Amman P.O. Box 8 and 68 Telephone 38161 - 9 Telex Arabnk JO 21273 and 21620	Mahatta St. (Amman) P.O. Box 6904 Telephone 51375-7 Telex Arbams JO 21463	Telephone 2251 - 2 Telex Arabnk JO 51539	Mazara'a (Beirut) Telephone 310829 Telex 21335 LE	Yemen Arab Republic Sana'a P.O. Box 475 Telephone 5558 Telex Arabnk YE 2239	Sajala P.O. Box 8891 Telephone 460005 Telex Arabnk MB 7661	P.O. Box 813 Telephone 256398-9 Telex Arabak GJ 8647	Shaik Hamdan St. (Abu Dhabi) P.O. Box 3065 Telephone 323526 Telex Arbabs EM 23310	Dubai P.O. Box 3285 Telephone 432812 Telex Arbk EM 46933	Umm Alqaiwain P.O. Box 328 Telephone 66047	London City P.O. Box 138 Telephone (01) 606 7801-5 Telex 884429 and 887110	642 443 F and 642 444 F
Jabal Amman (Amman) P.O. Box 2711 Telephone 44134 Telex Arabnk JO 21089	Wahdat (Amman) P.O. Box 18067 Telephone 71122-3 Telex Arabwa JO 21824	Zerka P.O. Box 145 Telephone 83381 - 2 Telex Arabnk JO 41421	Tripoli P.O. Box 379 Telephone 620120-4 Telex Arabit 21815 LE	Oman	Arabian Gulf	Doha P.O. Box 172 Telephone 321570-3 Telex Arabnk DH 4202 and 4752	Qatar	Ajman P.O. Box 17 Telephone 422431	Fujairah P.O. Box 300 Telephone 22050 Telex EM 89051	Park Lane P.O. Box 4NE Telephone (01) 408 1505 Telex Arabwa G 24818	Greece Athens 10 Stadiou St. Athens 133 P.O. Box 1674 Syntagma Telephone 3255 401 - 10 Telex Arab GR 219922
Jabal Hussein (Amman) P.O. Box 8348 Telephone 25137 Telex Arabnj JO 21154	Marka (Amman) P.O. Box 15450 Telephone 91008-9 Telex Arabka JO 21080	Jerash P.O. Box 109 Telephone 51349	Mina (Tripoli) P.O. Box 379 Telephone 602383	Muscat P.O. Box 991 Telephone 722831-4 Telex Arabnk MB 3285	Bahrain Manama P.O. Box 395 Telephone 256988 Telex Arabnk GJ 8232	Alkhaleej St. (Doha) P.O. Box 3058 Telephone 321850 Telex Arabnk GS DH 4480	Alain P.O. Box 1212 Telephone 41328 Telex Arabnk EM 33522	Nakhell (Ras Alkhaimah) P.O. Box 4972 Telephone 28437 - 3 Telex Arabnk EM 99152	Egypt Cairo P.O. Box 2006 Telephone 746137 and 746218 Telex Arbnk 92716 and 92781	Kensington High St. P.O. Box 153 Telephone (01) 937 3547 Telex Arabbk G 893899	Bab Tabbaneh (Tripoli) P.O. Box 813 Telephone 620122-3
Lusleibdeh (Amman) P.O. Box 9105 Telephone 38673 Telex Arablu JO 21854	Aqaba P.O. Box 37 Telephone 3545-8	Lebanon Beirut P.O. Box 1015 Telephone 250240-9 and 251151 - 9 Telex Arabnk 20704 LE	Saida P.O. Box 199 Telephone 724501 Telex Arabed 23661 LE	Ruwi P.O. Box 5010 Telephone 702538 Telex Arabnk MB 3623	Muharraq P.O. Box 22295 Telephone 322426	United Arab Emirates Abu Dhabi P.O. Box 875 Telephone 334111 Telex Arabnk EM 2257	Aimaktoum St. (Daira) P.O. Box 11384 Telephone (04), 228847 - 5 Telex Arbnk EM 46126	Ras Alkhaimah P.O. Box 20 Telephone 28233 Telex EM 99276	Tunis P.O. Box 520 Telephone 258840-1 60 Ave Des Champs Telex Arbnk 12293, Elyseea and 3591282	Paris Telephone 5823810 and 3591282 Telex Arabnk	General Management (Amman) P.O. Box 68 Telephone 38161 - 9 Telex Arabnk JO 21230 Cable Bankarab
		Ras Beirut P.O. Box 5187 Telephone 340830-1 Telex Arabnp 22807 LE	Research Department (Beirut) P.O. Box 1015 Telephone 250240-9 Telex Arabng 21172 LE	Matrah P.O. Box 3169 Telephone 734378-9 Telex Arabnk MB 3508	Offshore Banking Unit (Manama)	Deira P.O. Box 1650 Telephone 221231 - 4 Telex Arbnk EM 45442	Sharjah P.O. Box 130 Telephone 353994 - 5 Telex Arabnk 8223	United Kingdom 3 Branches in			

BANKING SUPPLEMENT

allah, Hebron and Jenin in the West Bank are temporarily closed because of its illegal occupation by the Israeli forces.

The paid-up capital of the Bank in December 1980 was JD 2.5 million. And the reserves were JD 2,046,876.

Mr. Jawdat Sha'sha'a is its chairman and general manager. Mr. Ishak Abu Khadra is deputy general manager and Mr. Usma Asfour is its assistant general manager.

THE CHASE MANHATTAN BANK, N.A.

The Chase Manhattan Bank, N.A., is one of the largest banks in the world, with its headquarters in New York, U.S.A. For the year 1980, Chase, world-wide had total assets of \$76 billion, deposits of \$57 billion, loans of \$47 billion, and net income of \$354 million.



Anil K. Sarin

Chase operates more than 160 entities located in 70 countries. These entities include 101 Branches, 23 Representative Offices, and 36 subsidiaries and affiliates from which business is conducted with more than 130 countries. In the United States, Chase operates 214 Branches in New York State and 15 domestic subsidiaries. Chase has perhaps the largest network of correspondents banks in the world with 3,114 correspondents in the United States and another 3,400 overseas. In Jordan, The Chase Man-

hattan Bank opened a Branch located at the First Circle, Jabal Amman in 1976. It is a full service Branch handling a variety of products and catering to all segments of the market. Chase has been particularly supportive of the major developmental projects in Jordan. Chase has also played an important role in encouraging and assisting multinational companies in investing and operating in Jordan. On a smaller scale, Chase counts several local manufacturers and traders as its customers. Many of the traders have been attracted to Chase by the efficient service in international transactions which the worldwide network makes possible. Chase especially welcomes the small depositors with a full range of deposit products such as, demand deposits, savings deposits, time deposits, certificates of deposits etc. recognizing that the encouragement of small savings is critical for the success of the development plans of Jordan.

The General Manager of Chase in Jordan is Mr. Anil K. Sarin and the Operations Manager is Mr. Atiyeh Shanani. Their offices are located at the First Circle, Jabal Amman.

The paid-up capital of the Bank by the end of 1980, was JD 500,000. Reserve were JD 23,363 and Reserve for doubtful debts were JD 30,700 at the same period.

CITIBANK

Citibank is the world's largest international bank, with 210 branches in 92 countries and \$115 billion in assets. This global span coupled with extensive and diversified experience in international business gives Citibank a unique ability in servicing international trade besides applying new practices and concepts in individual markets.

Citibank opened its Branch in Jordan in 1974. Since then, the bank has maintained an active

presence in diversified lending to various local economic sectors, and in assisting in the development of new financial market instruments and facilities such as CDs, forward Exchange and Syndicated Lending.

Early in 1980, Citibank Amman was chosen as Citibank Middle East pilot site for the development of new computer applications to expedite and improve the quality of customer services. As of now, Current and Savings Accounts are fully computerised, besides internal automation of Bookkeeping systems and use of advanced Word Processing systems. These automated operations allow instant access and servicing of customers needs throughout Citibank's international network.

In March 1981, Citibank issued an "Investment Guide" to Jordan. This was a comprehensive introduction to the Jordanian economy, commercial and business practices and other current information for the prospective investor and is being distributed through Citibank's network of Branches.

Citibank is proud of its association and role in the rapidly developing economic and commercial environment in Jordan. We look forward to the country's continued growth and progress.



R.S. Cordingley

GRINDLAYS BANK LTD.

The Grindlays Bank Group with its Head Office in London

can trace its history back to 1828. In that year a retired British Army Officer, Capt. Robert Grindlay, back from service in India, opened an agency in London together with a gentleman by the name of Leslie.

Grindlays first branch was opened in India in 1854 and subsequently expanded throughout the Indian sub-continent.

Meanwhile in 1863 the Calcutta City Banking Corporation was established in India, changing its name in 1864 to National Bank of India Limited and then two years later moving its Head Office to London.

The National Bank of India and Grindlays Bank merged in 1958 to form National and Grindlays Bank Ltd which changed its name back to Grindlays Bank Ltd. in 1975.

In 1969 a holding company was incorporated owning 60% of the Banks shares and at the same time Citibank, New York, bought a 40% stake in the Bank. This stake was increased to 49% by the issue of new shares in 1975. Lloyds Bank Limited owns 41.4% of the shares in the holding company, which is quoted on the London Stock Exchange.

In recent years Grindlays Bank has acquired Wm Brandts Sons & Co (now Grindlay Brandts Limited); the London Group business of the Ottoman Bank, Banque Grindlay Ottomane, with its head office in Paris, the London Confirming House of Gillespie Bros & Co, and in 1974 the Glasgow based of Commerce. The Bank also owns Grindlays Dao Heng Bank in Hong Kong.

The Groups capital resources at the end of 1980 were approaching £ 179 million.

Jordan is one of the 40 countries in which the Grindlays Bank Group operates through an extensive international network of over 200 branches and offices. The Banks' roots in Jordan go back to 30th August, 1927, when the Ottoman Bank was the first Bank to establish a branch in Amman. This was fol-

lowed by the opening of branches in Irbid (1949) and Aqaba (1956). Three more branches were opened during the 1960's and a further six during the early 1970's bringing the total number of branches to 13 in addition to the five West Bank branches which are temporarily closed. Total assets in Jordan presently stand at JD 65 million.

During the course of next month the Bank will occupy new premises in Shmeisani which are presently being fitted out at a cost of some half a million dinars. The five storey building, to be known as 'GRINDLAYS CENTRE' will house not only the Bank's General Management Office, together with a Corporate Banking Unit and a Multinational Banking Unit but also a new branch which will be situated on the first floor. A central Processing Unit for all Amman Area branches will also be located in the building.

The Bank's General Manager in Jordan is Mr. R.S. Cordingley, who was appointed to the position in October 1979.

INDUSTRIAL DEVELOPMENT BANK

Industrial Development Bank was established by a special decree in Amman, Jordan in 1965. The meticulous and efficient services rendered by its management to its clients during the last sixteen years has made the Bank a frontrunner in Jordan.

During 1980, the Bank approved 58 loans totalling JD 6511770, of which JD 5289000 were extended to 50 industrial projects and JD 1222770 to 6 tourism projects.

Two of the Bank Staff participated during the year 1980 in training courses in Berlin and the U.S.A. One of these courses was in small scale industry financing and development while the second course was in international management. One of the Arab Bank Staff was trained in the Bank four months in 1980 on project appraisal and loan administration. Two employees from Cities and Villages development Bank were also trained in the Bank of project appraisal and follow up techniques.

The total of Balance Sheet increased during 1980 by 14.8%, i.e., from JD 17.65 million to JD 20.77 million. The revenues of 1980 exceeded those of 1979 by JD 292000, i.e., by 21.8% and so did the net profit of the Bank during the previous year by 22.8%, i.e., amounting to JD 437289.

Mr. Rouhi El-Khatib is its Chairman and Mr. Ziyad Annab is its General Manager.

JORDAN ISLAMIC BANK

Jordan Islamic Bank for Finance and Investment (JIB) is a public Shareholding Limited Co.

JIB was established on November 13, 1978, in accordance with Jordan companies Law, and by virtue of its Special Law No. 13 of 1978.

JIB's ultimate objective is to render all banking services and all financial investments in compliance with Islamic Legislation, refraining from paying or receiving interest.

JIB's paid up capital amounts to JD 2 million, representing 50% of the authorised registered capital which is JD 4 million. The virtual commencement of operations took place on 22nd Sept., 1979 with the inauguration of the first branch in Amman, at King Faisal Street. Other three branches were opened later in Jordan: Amman Main Branch, Jabal Al-Hussein (Amman), Al-Wahdat (Amman) and at Zerqa.

JIB does not deal in interest whatsoever; holders of fixed, notice and saving accounts with the Bank are entitled to participate with it in the investment projects which it undertakes.

For the year 1980, the general ratio of profits distributed to the depositors was (8.2%) in accordance with the allotted percentage in which each individual investment account participates; thus profits distributed to the depositors were as follows:-

- Fixed Deposit Accounts 7.4% p.a.
- Notice Accounts 5.8% p.a.
- Saving Accounts 4.1% p.a.

The ASSETS of the Bank as at 31st Dec., 1980, were JD 14,615,575.



Sufian Ebrahim Yasin

JORDAN KUWAIT BANK

Jordan Kuwait Bank (JKB) was established in Jordan on the 25th October, 1976, under a commercial register No: 108. Its total capital at present is JD 5,000,000.

JKB is public shareholding company with 60% Jordanian shares and 40% Kuwaiti shares. The Bank has local network of ten branches in Jordan - six of them in Amman: Abdall Main Branch, Jabal Amman, Wehdad, Commercial Centre, Shmeisani and Jabal Hussein and one each at Zerka, Baqah, Irbid and one at Aqaba is under establishment.

JKB has correspondents all over the world. Sheikh Naser Al-Sabah is its chairman and Mr. Sufian I. Yasin is its deputy chairman as well as general manager.

Paid-up capital of the Bank as on 31st December, 1980, was JD 4,960,660 and Reserve was JD 1,137,232.

JORDAN NATIONAL BANK

The Jordan National Bank, one of the leading banks in Jordan, was established in 1956 with only one branch in Amman. But with the sincerity and hard work of its management and the object of participating in the economic progress of Jordan, the Bank achieved a phenomenal progress - and by 1980 (which was the silver Jubilee year of the Bank) it had 20 branches in the East Bank.

There are 7 branches in Amman, two branches at Zerka and one each at Irbid, Aqaba, Salt, Sweileh, Wadi Seer, Sahab, Tafila, Madaba, Deir Alla Ramtha, and Ma'an. 2 more branches are under establishment in the East Bank. The bank has 3 branches at Nabulsi, Jerusalem, and Hebron in the West Bank - but they are temporarily closed because of its occupation by the Israeli forces. It has also 5 branches in Lebanon.

The Jordan National Bank continues to contribute towards the stable economic climate of Jordan for achieving the aims and objects of the first 5-year development plan (1976-80). And is looking forward to participate in the 2nd 5-year development plan of the country (1981-85).

The bank has also one associated bank (The Ahli Bank Ltd.) in Dubai. The Jordan National Bank owns 25% of its capital.

The paid-up capital of the bank in 1956 was JD 250,000 and in 1980 JD 3,292,375. The assets of the bank in 1956 were JD 1,794,753 and in 1980, JD 89,350,900.

Mr. Sukkar is chairman of the Bank and Mr. Tash is deputy chairman.



Said Hammami

JORDAN SECURITIES CORPORATION

The Jordan Securities Corporation (JSC) was established at the end of 1979 after it was found necessary to establish a specialised banking firm to operate in and expand the cap-

ital and money markets that were evolving in Jordan.

The idea of JSC was promoted initially by International Finance Corporation (IFC), the World Bank affiliate which played a leading role in the development of the Amman Financial Market (AFM). The company was established with a capital of JD 2,000,000 with participation from leading financial institutions both in Jordan and abroad including the Housing Bank, Industrial Development Bank, Pension Fund, Universities Investment Funds, Postal Saving Fund, eight commercial banks, six insurance companies, and three money exchangers. IFC, Kuwait International Investment Company, Samuel Montagu, European Arab Bank, and Jefinor were also major shareholders and founders.

JSC's charter envisaged a broad investment banking operation, e.g. underwriting of bond and share issues, brokerage operations in the AFM, management of portfolios of securities, project evaluation and finance, management of mutual funds and investment trusts, arrangement of finance through loan syndications and foreign exchange and such other activities that would assist the general development of Jordan's capital and money markets.

The concept behind the company was that Jordan needed a corporate entity in the money and capital markets whose main function would be to act as intermediary between the productive sectors which require finance and the investors who have surplus funds. This role as intermediary would also include acting as a catalyst between Jordanian investors within Jordan and the users of funds through the capital market, which comprised the AFM and the new issues market, between banks in the money market and between national savers and the productive sector of the economy.

JSC's accomplishment first year of operations justify the high expectations establishment. The co-managed a major JD issue and two share issues one of which were managed and under three loans syndications of which the company acted as lead manager and Portfolio management clients were also successful towards the end of the year towards the largest broker in the AFM.

1981 promises to be a better year. We are planning new issues at the rate of a month and our balance footings are expected to exceed JD 8,000,000.

PETRA BANK

Petra Bank was registered a Jordanian Public holding Company on the 7th June 1977, with a capital of million.

The Bank commenced operations as a full service on the 7th June 1978, with only one branch in Amman. The opening of two other branches in Amman.

At present Petra Bank total of ten branches in Jordan including the one located Head Office, Seil S: Amman. The Balance Sheet of Bank as at December shows Total Assets of JD 56,227,657.

The Bank has developed its own "On line" computer system for its banking operations.

His Excellency Mohan Toukan is its chairman and Ahmad Chalabi is deputy chairman and general manager.

WORLD'S LARGEST INTERNATIONAL BANK:

210 BRANCHES IN 92 COUNTRIES

U.S. \$115 BILLION IN ASSETS

PROUD TO BE ASSOCIATED WITH JORDAN'S CONTINUED ECONOMIC GROWTH & PROGRESS



ARAB JORDAN INVESTMENT BANK

First Universal Bank in Jordan

Wholesale, Investment and Commercial Banking

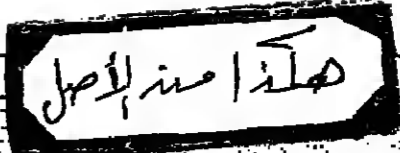
Ready to enter into Eurodollar Syndications

Active in Money Market Operations at both Domestic and International levels

Issue Tender and Performance Bonds on behalf of International Contractors carrying out major projects in Jordan

P.O. BOX 8797
AMMAN, JORDAN
TELEX: 21719 AJIB JO
TEL: 64120, 64126, 64127

Handwritten signature or note at the bottom right of the page.



MIDDLE EAST

Splinter group undermines Begin's power base

God-given right to all occupied Arab land'

KADDDUM, Occupied Arab Bank, April 29 (A.P.) — By proclaiming Israel's God-given right to all occupied Arab land, a small splinter party is gaining support among the very ultra-nationalist Israelis who helped bring him to power.

The party is hoping for the votes of Israelis who supported Likud in 1977 because it promised a tough policy toward the Arabs, and who

ouince Begin for supposedly being soft on the Arabs.

Begin's Likud bloc is parading settlements like Kufir Kaddum as its greatest achievement in its four years in power. But *Tehiya* complains that much more could have been done.

The party is hoping for the votes of Israelis who supported Likud in 1977 because it promised a tough policy toward the Arabs, and who

now feel let down by the concessions being made to Egypt in return for the March 1979 separate peace treaty. *Tehiya* has already shown its potential by manipulating Likud and Labour into backing a parliamentary bill last July that strengthened Israel's annexation of Arab Jerusalem.

At the Kufir Kaddum convention, the party vowed that next on the list would be the occupied

Golan Heights of Syria and the West Bank, which have been under Israeli military rule since they were captured in the 1967 war and have not been annexed.

Says Yael Weiler, a 20-year-old woman who vows to vote for *Tehiya*. "What we won in the 1967 war was God-given and Israel doesn't have the authority to turn it over to Palestinians, Jordanians

or anyone else." Says Ronnie Cohen, a 26-year-old student: "*Tehiya* wants to do what the early Zionists did: establish facts, put up settlements.

As a liberal-minded person I feel a bit uncomfortable about any mistreatment of Arabs in the West Bank, but nowhere else are we going to get footholds in places like Hebron."

CIA featured in Kabul parade

NEW DELHI, April 29 (A.P.) — A chained character in a top hat with the letters "CIA" emblazoned on his back was led through the streets of Kabul as part of the recent "Saur revolution" anniversary parade in the Afghan capital, a Western diplomatic source said here today.

Other marchers in the parade Monday hurled epithets at the actor portraying the U.S. Central Intelligence Agency, said the source, who cannot be identified under the rules governing his briefing of reporters.

Kabul has long accused the CIA of interfering in Afghan affairs, particularly of providing arms to muslim rebels battling the pro-Moscow regime of President Babrak Karmal.

The parade, which marked the third anniversary of the bloody April 27, 1978, coup that installed Afghanistan's first Marxist reg-

ime, "seemed slightly smaller" than the one last year, which in turn was said to be smaller than the one the year before that, the diplomats said. There were fewer flags and less bunting, and the list of official slogans was trimmed from 59 to 40.

The source offered no crowd estimate, but the Afghan government radio earlier reported that 20,000 persons watched the parade. Then radio reports monitored in India, also said Mr. Karmal, members of his cabinet, party leaders and generals viewed the military parade.

Security has been very tight in Kabul for several days, with police checkpoints scattered around the city and daily house-to-house searches, the diplomat said.

Meanwhile, the situation in Kandahar, Afghanistan's second largest city, continued to deteriorate, the diplomat said.

OAPEC promotes Arab oil ventures not as pure financial investments

IRAIN, April 29 (R) — Oil talks from nine Arab countries in Kuwait next week to discuss a common drive to diversify their economies from reliance on oil exports.

The talks, grouping ministers of Organisation of Arab Petroleum Exporting Countries (OAPEC), are seen here as significant for the long-term economic future of the Arab World. OAPEC was founded in 1968 to develop member countries' investment in money-spinning ventures related to oil such as shipping, exploration and petroleum products like synthetic rubber and chemicals.

OAPEC is demanding a cut in oil prices to stabilise the world market, where a glut has developed because of over-production and falling Western demand.

OAPEC leaves pricing to the 13-nation OPEC and discussion of prices and production levels will be informal. But they will be closely watched by oil-importing countries anxious for any sign of what OPEC will decide in Geneva.

OAPEC's three founding members were Saudi Arabia, Kuwait and Libya. It has since been joined by Algeria, Bahrain, Iraq, Qatar, Syria and the United Arab Emirates. Egypt's membership was suspended after it signed the Camp David separate peace agreement with Israel.

In the past the activities of OAPEC have not excited great outside interest. "People often think our name is a misprint for OPEC," said one official.

transform member countries into modern industrial states.

"Our objectives are to promote cooperation in three major areas -- petroleum development policies, training and information and identifying and implementing oil projects," explained OAPEC's Secretary-General Ali Ahmad Atiga.

OAPEC translates its aims into action through joint ventures owned by some or all members states, ranging from an oil tanker fleet to an oil-drilling company.

The oldest venture was the Arab Maritime Petroleum Transport Company (AMPTC), which owns eight oil and two liquefied petroleum gas tankers.

The Kuwait-based company was founded in 1973 but the falling demand in oil depressed the tanker market and AMPTC made its first operating profit only last year.

Vice Chairman and Managing Director Abdul Rahman Ahmad Al Sultan told Reuters that partly because of the Gulf War, which

has left two of its Iraqi-registered tankers stranded by war insurance problems at the mouth of the Gulf, it could make a \$10 million loss this year.

There are some doubts about the company's future. One problem it faces is that national Arab tanker fleets have expanded much more than envisaged when AMPTC was founded.

But shareholding countries have agreed to subsidise its cash loss.

OAPEC's biggest success so far is the Arab Petroleum Investments Corporation (API-CORP), based in Saudi Arabia with assets of more than \$500 million.

The company invests in oil or oil projects and made a profit last year of more than \$30 million. APICORP General Manager Nureddin Farrag told Reuters recently.

stitute for lead in petrol.

Dr. Farrag said the projects were based on the idea of establishing one plant for each material at first and then expanding into an Arab-wide industry.

Another example of successful OAPEC cooperation is its huge dry dock in Bahrain called the Arab Ship Repair Yard. It can handle the largest tankers and has at times been fully occupied.

It has made small losses but OAPEC saw the yard as a project to encourage wider economic and social cooperation rather than as a pure financial investment.

Ministers will be asked to approve construction of another dry dock in Algeria at their meeting in Kuwait.

On a wider scale OAPEC is close to setting up a judicial board to resolve disputes among members.

Mr. Khalid Al Shawi, director of OAPEC's legal department, explained that the tribunal of nine judges would have jurisdiction over oil but nothing relating to sovereignty.

OAPEC officials said that if their oil ministers approve the proposed judges at the Kuwait meeting, the tribunal could become effective immediately.

The latest OAPEC-sponsored venture is an engineering consulting company, the Arab engineering company, with capital of 20 million dollars. Its shareholders are OAPEC member states and APICORP.

Project Manager Aziz Antara Korha said the company's initial staff of 50 to 60 people could grow to 2,000 within 10 years.

Another project under consideration is a plan to produce protein from natural gas.

Spokesman says Iran seeks to wipe out Bahai community

VIENNA, April 29 (A.P.) — The Iranian revolutionary leadership, like previous Persian regimes, is seeking to crush the 300,000-strong Bahai community, Iran's largest religious minority, a spokesman for the Austrian Bahai centre said today. He said some 4,500 members of Bahai administrative organs were facing arrest and possible execution, adding the Bahai's concern was based on a written revolutionary court opinion on a sentence meted out in Shiraz last month. That court sentenced to death 10 members of local Bahai administrative bodies. The Austrian spokesman said the official reasoning suspected membership in such a centre appears to be enough to warrant conviction and even capital punishment. The Bahai movement, a so-called religion independent of the Islamic faith, was founded in Persia by Baha'u'llah (1817-92) in the 19th century. Its current religious centre is Haifa, Israel. There are some 100,000 Bahai centres all over the world. The spokesman said several dozen Bahai members have been executed by Iranian revolutionary guards, religious shrines have been desecrated, homes destroyed and members harassed over the past two years. He described official hostility as a systematic campaign to wipe out the entire Bahai community in Iran.

Arabs from the West Bank city of Hebron to evict Jewish squatters living in their midst. Israel Radio reported that the court upheld the Jews' right to continue living in Beit Hadassah, a rambling, two-storey house built last century by Jews, which was taken over two years ago by ultra-Orthodox Jewish women and children from nearby Kiryat Arba. The court gave no reasons for its ruling, and said it would publish its findings only later. The Arabs complained that the Jews were harassing them into abandoning homes so the settlers could take them over. They said the Jews were attacking and stoning Arabs and vandalising Arab property. In reaching its findings, the court took note of the state attorney's guarantee to protect law and order between the settlers and Hebron Arabs. Israel Radio report.

U.S. announces sale of 500 military trucks to Saudis

WASHINGTON, April 29 (R) — The Pentagon has announced the sale of 500 military trucks to Saudi Arabia for \$42 million. The deal can be vetoed within 30 days by a vote of Congress, where strong opposition has developed to an administration proposal to sell Saudi Arabia a much more potent package of jet fighter gear and advanced radar planes. The Pentagon said the 500 five-ton trucks are similar to some already in the Saudi inventory and would replace older vehicles. It had not been decided who would make the trucks.

3 Afghanis executed in Iran for smuggling heroin

BEIRUT, April 29 (A.P.) — Three Afghanis were executed in an Iranian prison on charges of smuggling heroin into Iran, Tehran Radio reported today. It said the public prosecutor's office issued the execution orders after a ruling by the Isfahan anti-drugs campaign and Islamic revolutionary court. Ten persons were executed on similar charges yesterday.

Turkish military prosecutors ask death penalty for 200

ANKARA, April 29 (A.P.) — Prosecutors will ask the death penalty for 220 top leaders and members of Turkey's disbanded ultra-rightist national Action Party for alleged involvement in terrorist acts, military law authorities announced today. The defendants include retired Col. Alpashin Turkes, chairman of the now-defunct Action Party. He and his aides have repeatedly denied links to terrorism in the past. The Ankara military law command announced that a team of military prosecutors had completed an investigation into the past activities of the party and brought charges against 587 of its members. The opening date for the trial was not set, but sources said that it could start in May. Mr. Turkes, 64, has been held in military custody since last September's coup by Gen. Kenan Evren and other top Turkish military commanders. Turkish authorities have closed all political parties since the takeover and brought charges against the Muslim fundamentalist national salvation party and the ultra-nationalist Action Party. The action party platform calls for strong Turkish central authority and reunification of all Turkic tribes throughout Asia.

Armenian underground claim 150 injured

BEIRUT, April 29 (R) — An underground Armenian guerrilla group said today that more than 150 Armenians were injured and 200 arrested in a clash last Sunday in the central Iranian city of Isfahan. The Armenian Secret Army for the Liberation of Armenia (ASALA) said in a communique yesterday that unknown forces had attacked an Armenian house in Isfahan, killing or injuring more than 30 Armenians in several hours of fighting. Today's communique, revising the casualty toll, accused Iranian revolutionary guards of carrying out "this irresponsible fascist attack." Some of the injured were in a serious condition, it said, quoting the group's sources in Iran. ASALA called on the Iranian government "to cease this irresponsible behaviour and release the prisoners immediately." Iran's Christian Armenian community of fewer than 200,000, mainly middle-class businessmen and traders, has by and large loved at peace with the country's revolutionary authorities. But last month ASALA claimed responsibility for a gunfight in central Tehran in which two policemen were killed. It did not clarify the aim of the operation.

Nephew of King Khaled dead at age 26

OXFORD, April 29 (A.P.) — Saudi Arabian Prince Abdul Aziz Faisal, 26-year-old nephew of King Khaled, has died of a heart attack at his home near Oxford University where he was a post-graduate student, police said today. Detective superintendent Jim Dewhurst said the prince's body was discovered on Monday at his country home in the village of Sutton Courtenay, Oxfordshire. He said police did not know the exact cause of death but said "foul play was not suspected." Press Association, Britain's domestic news agency, quoted the Saudi Arabian embassy in London as saying the prince died of a heart attack. A spokesman declined to give details. Mr. Keith Griffen, president of Oxford's Magdalen College, said Prince Faisal had been studying for a doctorate in philosophy.

Israeli court rejects evicting Jewish squatters in Hebron

TEL AVIV, April 29 (A.P.) — Israel's Supreme Court today rejected an appeal by Palestinian

YOUR DAILY Horoscope from the Carroll Righter Institute

FORECAST FOR THURSDAY, APR. 30, 1981

FORECAST FOR FRIDAY, MAY 1, 1981

GENERAL TENDENCIES: You could find confusion and muddled thinking exists due to planetary reasons and this could be a nonproductive day unless you channel your energies in constructive outlets.

ARIES (Mar. 21 to Apr. 19) Make sure your regular activities are wisely scheduled and then carry through in a sensible manner. Be logical.

TAURUS (Apr. 20 to May 20) Obtain important information for a project you are interested in before you go ahead with definite plans. Be wise.

GEMINI (May 21 to June 21) If you handle routine duties in a modern manner, you gain benefits. Study a new plan before making any changes.

MOON CHILDREN (June 22 to July 21) Don't neglect important work early in the day. Try to cooperate more with co-workers. Strive for harmony.

LEO (July 22 to Aug. 21) Be sure you don't take on any heavy expenditures of money in the evening. Allow time to engage in creative activity.

VIRGO (Aug. 22 to Sept. 22) Postpone going ahead with a new interest you have in mind. Wait until a better time. Evening is fine for recreation.

LIBRA (Sept. 23 to Oct. 22) Improve the foundation of your life so you can have more abundance in the days ahead. Get rid of annoying conditions.

SCORPIO (Oct. 23 to Nov. 21) Iron out any problems with others in a quiet and tactful manner. Seek the company of congenials in the evening.

SAGITTARIUS (Nov. 22 to Dec. 21) You have to use careful thought in handling monetary affairs today. Use your intuitive faculties for best results.

CAPRICORN (Dec. 22 to Jan. 20) Use a different attitude in handling a puzzling situation and you get better results. Seek the company of friends tonight.

AQUARIUS (Jan. 21 to Feb. 19) You have hidden desires that need more study before you pursue them. Strive for increased happiness.

PISCES (Feb. 20 to Mar. 20) Some of your friends may have problems so be sure to give a helping hand. Show others you have practical wisdom.

IF YOUR CHILD IS BORN TODAY... he or she will be one who comprehends the problems of others and knows instinctively how to solve them. Be sure to give the best education you can afford to bring out this ability. A good life in this chart.

"The Stars impel, they do not compel." What you make of your life is largely up to you!

GENERAL TENDENCIES: A good time to study the progress you have made and to make needed changes. State your views to influential persons who can be helpful to you. Be more optimistic.

ARIES (Mar. 21 to Apr. 19) Morning is fine for studying new outlets through which to expand. A direct course is the best to follow at this time.

TAURUS (Apr. 20 to May 20) Use an improved method where finances are concerned and gain benefits. Take treatment to improve your appearance.

GEMINI (May 21 to June 21) Come to the right decision concerning relations with associates. Be sure to spend your money wisely today.

MOON CHILDREN (June 22 to July 21) Get your work done early in the day so you'll have more time for social activities later. Use care in mention.

LEO (July 22 to Aug. 21) A time to be calm while going after a personal aim. Take constructive steps to improve the quality of your life.

VIRGO (Aug. 22 to Sept. 22) You are able now to get the support of associates in a new project you have in mind. Show others you have wisdom.

LIBRA (Sept. 23 to Oct. 22) State your views to associates early in the day and come to a fine agreement. Strive for increased happiness.

SCORPIO (Oct. 23 to Nov. 21) Don't neglect to handle monetary affairs that are important to your welfare. Don't take any risks at this time.

SAGITTARIUS (Nov. 22 to Dec. 21) Study your financial status and find a better way to increase your income. Be wary of false friends.

CAPRICORN (Dec. 22 to Jan. 20) Obtain important information you need at this right source. Maintain a cheerful manner at all times today.

AQUARIUS (Jan. 21 to Feb. 19) Morning is best time to be gregarious and talk with key persons. Seek the company of congenials in the evening.

PISCES (Feb. 20 to Mar. 20) Go after your personal aims in a positive manner and get excellent results. Take no risks with your reputation.

IF YOUR CHILD IS BORN TODAY... he or she will be one of those delightful persons who will adopt the right philosophy that could lead to a most successful life.

"The Stars impel, they do not compel." What you make of your life is largely up to you!

TIME

The World News Magazine

FURY IN NORTHERN IRELAND: DEATHWATCH IN H-BLOCK. COVER STORY ON THE IRA'S BOBBY SANDS.
FROM RUSSIA WITH SUSLOV: A SOVIET HARD-LINER PLAYS A CALL ON THE POLES.
A LOW PROFILE IN EL SALVADOR: REPORT ON U.S. "TRAINERS" IN CENTRAL AMERICA.

GOT SOMETHING ON YOUR MIND?

Let the JORDAN TIMES hear about it

SALESMAN TRAINING CO.
With Course 31, The Great PHOTOFINISHING at 10% OFF!

For all of your colour printing needs we offer complete processing and printing services for professional and amateur alike.

Only the finest materials available are used by our expert technicians.

Stop by soon and see what develops!

A SENIOR PROJECT MANAGER

is required for the site management of the heavy civil engineering work in a large turnkey industrial process works in Jordan. The man should be between 35 and 45 and be a chartered civil engineer with a predominance of site management experience with a large European firm; international contracts would be of advantage. Salary is negotiable and there are substantial benefits.

Pls. contact P.O. Box 61 Tla 'Al Ali, Amman, Jordan

SHEPHERDS

TOURS & TRAVEL

in cooperation with the biggest American tourist firm, GRAYLINE, announces the start of a month-long trip to the United States on June 6, and ending on July 7, 1981.

Interesting programmes, exciting tours, enjoyable evenings, excellent hotels (Hilton)... The trip includes visits to New York, Detroit, New Orleans, Las Vegas, San Diego, Los Angeles, Carmel, Monterey, San Francisco, Chicago and Sonmank.

For more information and reservations, call the Shepherds Tour and Travel Agency at Tyche Hotel, Shmeisani; Tel. 64101 or 64102.



ECONOMY

Reagan cautions Congress: I'm fine but economy isn't

WASHINGTON, April 29 (A.P.)

—U.S. President Ronald Reagan, wildly cheered as he returned to the public stage, told Congress last night that his tax and spending cuts are "the only answer we have left" for a sick economy.

In his first address since he was shot in an assassination attempt on March 30, the president pronounced his own health much improved, but said the economy is as sick as ever.

Mr. Reagan was welcomed by a rafter-shaking ovation which left him with "no words to express that greeting."

He said his recovery was buoyed by the "friendship and yes, love" of his fellow citizens since he was shot.

At the same time, the president, who showed no evidence whatever of his wound, told the House and Senate they risk public wrath unless his economic package is quickly approved.

It was his first public appearance since the assassination attempt, and an occasion of high drama. The president was received with a three-minute ovation of applause, cheers and whistles before he interrupted with "you wouldn't want to talk me into an

encore?"

In a speech for a joint session of the House and Senate and a national radio and television audience, the president called anew for swift passage of his economic package, saying inaction "will delay even longer—and more painfully—the cure which must come."

"The American people now want us to act, and not in half measures," he said in the prepared address. "They demand—and they have earned—a full and comprehensive effort to clean up our economic mess."

Reagan's appearance once more on the public and political battlefield came on his 100th day in office, and he handled it with a broad smile and steady stride down the aisle of the House.

The president added to his prepared text—which focused primarily upon his spending reductions—a plea for his three-year, 30-per cent tax cut, saying the nation faces a choice between "a great big raise in your taxes in this coming year, or, at the worst, a very little increase with the prospect of tax reduction and a balanced budget down the road a ways."

ECONOMIC NEWS BRIEFS

U.K. grants Yemen £1.1m

LONDON, April 29 (R)— Britain intends to make a £1.1 million grant to the (north) Yemen Arab Republic to expand a scheme to train farmers to use and maintain machinery, the Overseas Development Administration said today.

\$575m in foreign exchange for China

PEKING, April 29 (R)— The number of visitors to China, and the amount of foreign exchange earned by China as a result, jumped dramatically in 1980, the New China News Agency (NCNA) said today.

Foreign exchange income was 920 million yuan (\$575 million), a 32 per cent increase, and amounted to about \$100 per visitor, NCNA said quoting official figures.

A total of 5.7 million people came here for tourism, business and other reasons, an increase of nearly 1.5 million over 1979. Figures issued earlier this month said that 5.1 million of the 5.7 million visitors in 1980 were from Hong Kong and Macao.

NCNA said today there were 529,000 tourists among the visitors, a rise of 46 per cent.

300 Kuwait oil workers go on strike

KUWAIT, April 29 (A.P.)— An estimated 300 workers of the state-owned Kuwait National Petroleum Company (KNPC) went on a strike today to press their demand for an increase in personnel.

They complained to reporters that the current personnel size was inadequate to cope with the "ever-increasing" work. They said they would carry on their strike 10 days.

The Kuwait Oil Company (KOC) workers also went on a strike less than four weeks ago, but this was settled smoothly.

The KNPC handles Kuwait's three refineries, with a total capacity of 200,000 barrels a day.

Officials rejected the strike as illegal, but unionists insisted it

was "perfectly legal".

Oil Minister Sheikh Ali Khalifa Al Sabah said "not all workers have joined the strike," asserting that oil operations were normal despite the strike.

VW's profit down 50% in 1980

WOLFSBURG, West Germany, April 29 (R)— Volkswagen, Western Europe's largest car firm, today announced that its profits slumped by half last year and said 1981 was likely to be another difficult year.

The company cited heavy losses in the United States and Brazil and said its domestic sales fell by 9.4 per cent.

Most other German carmakers also have been hit by the downturn in the home market. Bayerische Motorenwerke (BMW) last week said earnings were down in 1980, but Daimler-Benz, maker of the Mercedes, has indicated its profits rose.

Mr. Toni Schmuecker, Volkswagen's managing board chairman, told reporters that group net profit fell to 321 million marks (\$177 million) in 1980 from 667 million marks (\$364 million) in 1979.

The company, which now faces intense competition from Japanese imports in the home market, was likely to have another difficult year in 1981 but its huge 13 billion mark (\$7.2 billion) investment programme for the next three years proved its confidence in the future, he said.

Belgium cuts discount rate to 14%

BRUSSELS, April 29 (R)— The Belgian National Bank today announced it was cutting its official discount rate from 15 to 14 per cent, the second cut since crisis measures to defend the Belgian franc were imposed in March.

The National Bank said the cut would take effect tomorrow. A similar reduction was made two weeks ago.

On March 31 the National Bank raised discount rate three points to a post-war record of 16 per cent under emergency measures to defend the Belgian franc against heavy speculation.

LONDON EXCHANGE RATES

LONDON, April 29 (R)— Following are the buying and selling rates leading world currencies and gold against the dollar at the close of trading the London foreign exchange and bullion markets today.

One sterling	2.1425/35	U.S. dollar
One U.S. dollar	1.1967/70	Canadian dollar
	2.2130/40	West German mark
	2.4500/25	Dutch guilders
	2.0180/0200	Swiss francs
	5.2385/2415	French francs
	35.90/93	Belgian francs
	1097.00/1098.00	Italian lire
	214.50/70	Japanese yen
	4.7500/50	Swedish crowns
	5.5430/40	Norwegian crowns
	6.9650/65	Danish crowns
One ounce of gold	476.50/478.00	U.S. dollars

LONDON STOCK MARKET

LONDON, April 29 (R)— Equities finished steady as trading quiet considerably, while government bonds continued dull, dealers said 1500 the F.T. index was up four points at 378.5.

Equities were steadier after recent profit taking though new time buy was not large, dealers added. Interest was focussed on companies reporting full year figures today, notably Blue Circle which extended today's gains by 26p after announcing sharply higher pre-tax profits & raised dividend. Tarmac added 19p to 407 on further consideration yesterday's results.

U.S. and Canadian shares were narrowly mixed. U.S. Industrials, which announced figures at top end of the estimates and raised its dividend, was up 18p at 336 after 346. Roth was up 4 1/2 p. House of Fraser was up 4p also after figures.

ICI added 6p ahead of tomorrow's first quarter statement but as the other leaders, Grand Met, Bowater and GEC ended unchanged balance and Courtauld, Hawker Siddeley, Lucas, Marks and Tubes only a penny or two higher.

Government bonds were up to 1/4 point lower, depressed towards close by news Chase Manhattan had raised its prime rate to 18%

JORDAN MARKETPLACE

RESTAURANTS & BARS

RESTAURANT CHINA

"The First & Best Chinese Restaurant in Jordan"
First Circle, Jabal Amman
Near Ahliyyah Girls School
Open Daily
12:00 - 3:30 p.m.
6:30 p.m. - Midnight
Tel. 38968
Take Home Service Available

Shepherd's Pub
Enjoy a cold glass of draught beer and a game of darts in a truly English Pub atmosphere at the Shepherd Hotel Pub. Open 12 noon to 1 a.m. Snacks & steaks served.

HAVE A BLAST!!
AT
The Jockey Lounge
OPEN 11 A.M. to 11 P.M.
"WE ARE YOUR KIND OF PEOPLE"
PHILADELPHIA HOTEL

AMMAN Holiday Diner
We wish to apologise to our nonresident guests for the closure of hotel outlets during the 4th Arab Conference from April 24th through May 2nd. Watch for a stunning line-up of entertainment after our reopening on May 3rd.

RESTAURANT TAIWAN TOURISMO
Opposite Akilah Maternity Hospital 3rd Circle, J. Amman Tel. 41093
Try our special "Flaming Pot" fondue during your next visit. Take-away orders welcome. Welcome and thank you.

AL ALALI
NIGHT CLUB, RESTAURANT & BAR
20th Floor
A ROOFTOP RENOVATED ENJOY THE DELECTABLE AND MUSIC AGAINST THE BACKGROUND OF AMMAN BY NIGHT
SHOW BARS
RESERVATIONS
TEL. 5990

Mandaloun Restaurant
LIVE MUSIC NIGHTLY AT MANDALOUN!!
VANESSA on Piano
Every Mon., Tues., Wed. &
Well Known Lebanese composer-singer NOUR EL MELLAH Thurs., Fri., Sat., Sun.
For Reservations: Call Joseph 43564

MANDARIN Chinese Restaurant
AMMAN
Wadi Saqra Road
East of New Traffic Bridge
Across From Holiday Inn
Tel. 61922
AMMAN

TRANSPORTATION

GENERAL SHIPPING - TRAVEL & TOURISM
AIR FREIGHT - PACKING
AMIN KAWAR & SONS
Travel & Tourism
General Sales Agents for SAS Scandinavian Airlines, Thai Airways
Tel. 37195, 22324-5-6-7-8-9
Tlx. 21212, 21520, 21634
P.O. Box 7806, Amman

JORDAN EXPRESS CO.
PACKING & CRATING
AIR & SEA FREIGHT
TRAVEL & TOURISM
Tel. 62722, 62723
38141, 22565
tlx. 21635 P.O. Box 2143

NATIONAL RENT-A-CAR



1980 MODELS AVAILABLE
TEL. 39197-8

Philadelphia Rent-A-Car

ALL NEW CARS FULLY INSURED

Philadelphia Hotel
Tel. 25194

Brand-new model 1981

JORAC RENT-A-CAR

Jabal Amman, facing
Intercontinental Hotel
For reservations,
Please call: Tel. 44938

HISHAM RENT-A-CAR

1981 Models
P.O. Box 5047,
Tel. 42720, 43720
Tlx. 21897
HISHAM JO

ORIENT TRANSPORT

FOR YOUR AIRFREIGHT, SEAFREIGHT, OVERLAND TRANSPORT, PACKING & HOUSEHOLD REMOVAL CONTACT US FOR A QUOTATION.

TEL. AMMAN 64128-9-30
AQABA 2135
TLX. 21547 P.O. BOX 926489

To advertise in this section



phone 6777-2-3

AQABA

Holiday Diner
Enjoy our delightful Evening Dinner Buffet & Friday Lunch & Dinner Buffets in sunny Aqaba
Tel. 2426 Tlx. 62263 JO

MANDARIN Chinese Restaurant

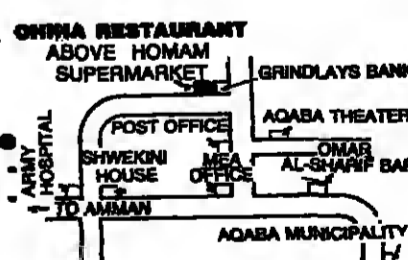
AQABA
Amman road beside
Samir Amis Restaurant
Tel. 4633

The Miramar Hotel is a holiday in itself!
Special Room rates:
Single JD 12
Double (2 persons) JD 15
Breakfast incl.
Tel. 04/4341-2 Tlx. 62275
MIRAMAR HOTEL
AQABA.

To advertise in this section
phone 6777-2-3

CHINA RESTAURANT

The first and best Chinese restaurant in Aqaba. Take-Away service. Open 11:30 - 3:30; 6:30 - 11:30 daily.
Tel. 4415



FURNITURE

SS Civil Defence St.
Tel. 63890

Scandinavian Show Room

See the latest in Danish sitting room furniture, wall units and bedrooms at Scandinavian Showroom. We have a large selection of sitting rooms in luxurious Chintz material. Furniture available tax-free to those entitled!

To advertise in this section



phone 6777-2-3

MISCELLANEOUS

To advertise in this section
phone 6777-2-3

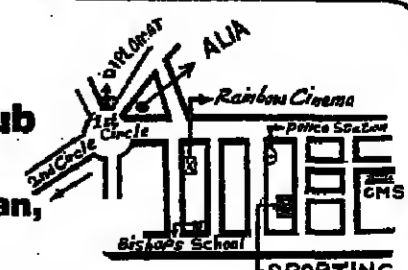
Ghalia For a good look!
At Ghalia we have everything to make you look your best... that includes expert hair styling, beauty care treatment & the finest in beauty care products.
Shmeisani, near Tower Hotel

SPORTING

Luxurious Health Club

First Circle, Jabal Amman,
Tel. 43829

Weight Reducing - Body Building
Sanna - Massage - Showers



Handwritten signature or note at the bottom of the page.

WORLD

Old Bailey orders jury trial

'Yorkshire Ripper' pleads guilty of 'manslaughter'

LONDON, April 29 (Agencies) — Truckdriver Peter Sutcliffe admitted today he was the "Yorkshire Ripper" who killed 13 women in the north of England between 1975 and 1980 but pleaded innocent to charges of murder.

Instead the 34-year-old Yorkshireman pleaded guilty to manslaughter on the grounds of "diminished responsibility," or lack of full mental competence, at the opening of his trial in London's historic Old Bailey criminal court.

Sutcliffe also pleaded guilty to the attempted murder of seven other women.

The intense feeling aroused in northern England by the killings over a five-year period caused the transfer of the trial from Yorkshire, where most of the slayings occurred.

Police security was tight, but there was no repetition of the ugly scene at Sutcliffe's first court appearance Jan. 5, when a mob shouted obscenities and lynch threats outside the court at Dewsbury, Yorkshire.

Sutcliffe, who lives in Bradford, was brought to London yesterday from a high-security prison in the Yorkshire city of Leeds, the base

for the police hunt for the mass murderer named after the Victorian age's "Jack the Ripper."

The "Yorkshire Ripper" killings started in July 1975 and continued until last November. Detectives said the killer struck by night, smashing the victims' heads with a hammer and usually mutilating the bodies. The women ranged in age from 16 to 47 and nine were prostitutes.

Several relatives of the victims were among some 60 members of the public who crowded into court.

The hearing opened in an atmosphere of excitement around the Old Bailey, London's central criminal court, which has heard some of the nation's most celebrated murder trials.

The mass killings in the Yorkshire region and the fear they generated locally had fired public interest in Britain and elsewhere. More than 800 international jour-

nalists applied for the 80 press seats available, court officials said.

Queues for limited seats in the court's public galleries began forming in rain and cold last night. Some people had travelled the 320 kilometres from Yorkshire.

Sutcliffe, who has black, curly hair and a beard, wore a light grey suit and blue shirt as he was led into the glass-pannelled dock in the high, oak-lined number one court.

He stood with his hands by his side and stared straight ahead, expressionless, as the 20 charges were read out. He answered loudly and clearly, but stumbled over words when pleading guilty to manslaughter on the grounds of diminished responsibility.

Before he appeared, an array of exhibits was laid out on a table at the front of the court.

There were several ball-headed hammers, a claw hammer, a hacksaw, a long, thin, pointed kitchen knife, several carving knives, eight assorted screwdrivers, a short rope and a cream raffia handbag.

Sutcliffe's dark-haired wife Sonia, 30, whose father Bondan Szurma immigrated to England from Czechoslovakia in 1947, was in the court with her mother Maria.

Judge Sir Leslie Boreham, after hearing more than one hour of argument from chief prosecutor, Attorney General Sir Michael Havers, who wanted to accept Sutcliffe's plea of manslaughter, said it would be "more appropriate if the case was tried by a jury."

The judge's ruling climaxed a 90-minute session that began when Sutcliffe pleaded innocent to the murders of 13 women slain in the north of England between 1975 and 1980.

As each murder count was put to him, Sutcliffe repeated in Italian-like tones:

"Not guilty to murder, but guilty to manslaughter on grounds of diminished responsibility."

The judge expressed "grave anxieties whether or not these pleas should be accepted."

He said he did not doubt unanimous finding by psychiatrists on Sutcliffe's mental condition but said they were all based purely on what Sutcliffe had told doctors.

"It seems to me it would be more appropriate if this case was tried by a jury," said Judge Boreham.

Both murder and manslaughter carry a maximum life sentence under British law, but minimum terms are at the judge's discretion. Attorney General Sir Michael Havers, leading the prosecution, had referred to findings of three psychiatrists who had examined Sutcliffe since his Jan. 2 arrest.

The judge ruled that the more than 80 British and foreign journalists on the court could not report prosecution's arguments for accepting the reduced pleas, on the grounds that this material

would influence potential jurors.

The trial of the man accused of being Britain's most notorious mass murderer of women could now stretch for weeks, according to court observers.

Red Brigades connect Cirillo kidnap to quake reconstruction

NAPLES, April 29 (R) — The Red Brigades were holding their latest kidnap victim today pending "trial" after a bloody commando operation in Naples aimed at exploiting the widespread bitterness in the earthquake-damaged city.

A major police hunt was underway to find the "people's prison" where the Brigades are holding Mr. Cirillo, the prominent Neapolitan politician they snatched Monday night.

Up to 10 guerrillas kidnapped the 60-year-old Christian Democrat leader after clubbing him on the head and killing his two escorts.

The attack proved that the Brigades were not wiped out by recent arrests and that their attention was shifted to the poor south, where over 200,000 people are still homeless after last November's earthquake.

Mr. Cirillo appears to have been selected by the Brigades because he chairs the commission in charge of the rebuilding projects in the earthquake zone.

The old, working-class centre of Naples was rendered almost uninhabitable by the quake and the Brigades said city authorities were "deporting" families to industrial suburbs.

Although Naples is now run by its first communist administration, the Brigades said the Christian Democrats were responsible for bringing "the slavery of salaried labour" to the city and destroying its traditional artisan lifestyle.

The documents found last night, with a photograph of Mr. Cirillo with his hand bound and sitting in front of the Red Brigades' flag, listed the

Sands rejects Pope's plea for an end to hunger-strike

BELFAST, April 29 (R) — Jailed Irish guerrilla Bobby Sands today contained his hunger-strike — now in its 60th day — despite an intervention by a personal emissary of Pope John Paul, associates of Mr. Sands said.

A spokesman for the committee coordinating support for Mr. Sands, who was elected to the British parliament in a recent Northern Ireland by-election, said: "The hunger-strike still goes on."

A British government spokesman confirmed there was no change in Mr. Sands' situation and said his condition continued to deteriorate. Mr. Sands' associates said he could die at any moment.

Last night Father John Magee, one of Pope John Paul's two private secretaries, spent an hour with Mr. Sands in the Maze prison hospital outside Belfast after flying from Rome with a plea from the Pope for an end to the fast.

Father Magee was not available for comment today.

Tax protest...

(Continued from page 1)

demographic presence, the obliteration of their identity and the disruption of their aspirations to independence and self-determination," the letter said.

The letter explained that Israeli Tax Department workers impose enormous fines on storeowners if they fail to pay the value added tax. If the merchant refused to pay the fines, they threaten to refer him to the Israeli courts, the letter said.

The letter noted that the Israeli supreme court has regarded the West Bank as outside the jurisdiction of Israeli laws but within that of Jordanian and international laws, which do not stipulate the payment of the value added tax. Nevertheless, the letter charged, the Israeli authorities continue illegal measures against small-scale commercial enterprises.

The Israeli military government takes advantage of the fact that owners of small businesses keep books as the big firms do, and imposes fines on these small enterprises according to whim, the letter said.

It added that the Israeli Customs Department in the military government had previously agreed that small merchants could pay an annual sum as a final solution for the problem of keeping books. The merchants honoured the deal but the military government did not, granting vast powers to its customs employees to assess and impose taxes on small businesses and workshops in Beit Sahour, Bethlehem and Ramallah, the letter said.

The letter added that an Israeli military court fined Al Bireh cooperative society for consumers on the pretext of its evasion of the value added tax. This unfair fine contradicts the Jordanian law in force in the occupied West Bank

which exempts cooperatives from paying taxes: taxes are only a first step imposing fines and penalties on the cooperative and on societies which have proved ability to help citizens to the rising cost of living in said.

Since last Sept. 12, stone in Hebron, Bethlehem and al-Jalil decided to stop work protest against the value added tax on the 3,000 employees in this responsible for the lives of some 30,000 persons, said.

The letter added that in occupied Gaza Strip, merchants staged a strike on Sunday and a demonstration and a front of the Gaza Municipality. They demanded that the take the keys of their shops put them in the municipal unless the customs and added tax employees stop tactics of violence, arrest, confiscation of goods and imposition of high taxes—sometimes as 100,000 Israeli shekels (JD 3,450).

The 800 Gaza merchants submitted a petition to the Gaza military governor demanding release of 20 detained fellow-chants. They explained in the petition the tactics used by Israeli employees, such as opening and seizing the funds inside confiscating goods, threatening chants with arrest, and imposing fantastic taxes—something much as the total capital of victimized enterprise.

Furthermore, Israeli tax deniers deny merchants the right appeal before the customs and the appeals committee of the military government. When appeal allowed, the tax authorities take the amount of the value added tax imposed on the merchant prevent others from resorting to the judiciary.

Rome police identify trio who robbed embassy guards

ROME, April 29 (A.P.) — Police investigators said that three most wanted right wing terrorists — one of them sought in connection with seven murders — staged Monday's attack on two guards outside the Saudi Arabian embassy in Rome.

"They apparently needed arms for some terrorist act," an officer of Rome's anti-terrorism squad said. The trio stole sub-machineguns and pistols from the guards.

Police identified the trio of two men and a woman who fled in a waiting car as Francesco Mambro, 22, Giorgio Avallini, 29 and Giogio Vale, 20.

They are believed to be key members of "Third Position," a right-wing terrorist organization.

Cavallini is sought in connection with seven murders, including the 1980 assassination of Judge Mario Amato and three para-military policemen.

Mambro and Vale both have been charged with subversive activities and membership in armed bands.

Both were also named in the investigation into the bombing of the Bologna railway station on August 1980 which killed 85 persons in Italy's worst post-war terrorist action.

Meanwhile, judges investigating the Bologna bombing freed "for lack of evidence" Prof. Claudio Mutti, a reputed ideologist of Third Position arrested last fall on charges of subversive activities.

He was the second top figure in the Bologna probe to be released after several months in jail. Prof. Aldo Semerari was released earlier this month after being interrogated in connection with the bombing and Third Position activities.

Police have yet to charge anyone for the actual planting of the bomb in the station.

Afghan rebels give Soviets tough time

NEW DELHI, April 29 (R) — Afghan rebel attacks continued in the southern city of Kandahar despite efforts by Soviet armour and troops to bring the city under control, Western diplomatic sources said here today.

A small patrol storage depot just outside the city was blown up by the rebels who also attacked a municipal building in the centre of Kandahar and got away with two dozen sub-machine guns, the sources said.

Rebels had also been active over the past two weeks in Logar Province south of Kabul and one source reported that 12 Afghan army tanks, two armoured personnel carriers and a mobile crane were destroyed in a rebel ambush on April 22, the sources said.

They said all main roads in Logar Province were reported closed on April 25 after another three Afghan armoured personnel carriers were destroyed by rebels.

The same day three units of the Afghan army were reported to have defected to the rebels on their way through Logar to Paktia

Clashes claim 6 lives in India

NEW DELHI, April 29 (A.P.) — Six people were reported killed yesterday, in two separate clashes in India, one between Marxists and Prime Minister Indira Gandhi's party activists and the other between two groups of villagers, the United News of India (UNI) reported.

In the southernmost state of Kerala, ruled by a Communist-led coalition, two Gandhi followers, Mr. Radhakrishna Menon, 42, and Mr. Sankaran K. Menon, 45, were stabbed to death by Marxist workers, the report said.

The victims were waylaid and killed in suburban Cochin while returning home from work, the agency added.

In the northern Uttar Pradesh State, four people including an attorney were shot dead in an armed clash between two groups in Sagara village in Basti District, UNI reported.

Firebombs in Hamburg

HAMBURG, April 29 (A.P.) — Flaming molotov cocktails hurled through the smashed windows of two Social Democratic Party offices and a land registry building here today totally destroyed one office and caused several thousand dollars damage, police said.

No-one was injured in the three separate attacks, officials said.

Witnesses had seen two persons flee the area of one SPD office on bicycles as the office exploded in flames, police said.

Pretoria admits making enriched nuclear fuel

PRETORIA, April 29 (R) — South Africa is now producing its own nuclear fuel, enriched uranium, which will in future be used to operate its atomic research reactor Safari One, Minister for Mineral and Atomic Affairs Frederik de Clerk announced today.

He said the fuel would enable the production of radio isotopes for medical use and would be subject to international inspection and safeguards by the International Atomic Energy Agency (IAEA).

South Africa had gone ahead with local production because it had not been able, for international political reasons, to obtain nuclear fuel for the reactor since 1976, the minister said in a statement.

The production of radio isotopes for medical use was almost entirely dependent on the Safari One reactor, he said.

South Africa has always denied reports that it conducted a nuclear test in September, 1979.

PREQUALIFICATION INVITATION
The Ministry of Health of the Hashemite Kingdom of Jordan intends to put out for bid all its hospital general services, which includes housekeeping, catering, laundry and maintenance of building and grounds.

THE Weekend Crossword

Crossword puzzle grid with clues for Across and Down. Includes clues like 'Remove editorially', 'Castles of the sky', 'Hunted in the sky', etc.

Diagramless crossword puzzle with clues like 'Places of security', 'Ephraim of the north', 'Turner of films', etc.

Diagramless crossword puzzle with clues like '19 X 19, by Jody Lett', 'Adriatic wind', 'Athlete', etc.

Cryptograms section with four puzzles and solutions. Includes puzzles like 'FITS WEDNOW TWING SUKKEQ XKEQUY FL' and solutions like 'LJAE LJT UOY OAR NOKKUR LJOTUKY O KING ROARS KJEA'.

Handwritten signature and date at the bottom of the page.